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ABSTRACT

The gathering reported in this document provided an opportunity for black elected and appointed officials to join in framing the discussions and debates which will be engaging the attention of the nation in this election year. The papers are written on timely issues that are critical to black Americans and that urgently need to be brought to the attention of candidates for public office, political parties, and those who influence public policy. Recommendations are presented in terms of programs, financial support, legislation, and policy. The special needs for youth and the aged are addressed. The paper topics and authors are the following: (1) Economic Policy (Margaret C. Simms); (2) Children and Our Nation's Future (Barbara Savage); (3) The "Education Excellence Agenda" (Kent McGuire); (4) Civil Rights (Frank R. Parker); (5) Income and the Black Aged (Samuel J. Simmons); (6) Long-Term Care (Samuel J. Simmons); and (7) Criminal Justice (Clyde E. Murphy). (VM)

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Fifth National Policy Institute

POLICY DISCUSSION PAPERS

Prepared for

THE FIFTH NATIONAL POLICY INSTITUTE

Grand Hyatt Hotel
Washington, D.C.
January 20-23, 1988

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FOREWARD

The occasion of the convening of the Fifth National Policy Institute affords a critical opportunity for black elected and appointed officials to join in framing the discussions and debates which will engage the attention of the nation in this critical election year. It is imperative that we develop a public policy agenda that is responsive to the needs of black America and that we place it before presidential, federal, state, and local candidates; political parties as they develop their 1988 platforms; and before those who influence policy. Leading academicians and major organizations have prepared comprehensive discussion papers for presentation at this Institute. We invite you to review their contents and join with us as we prepare a manifesto for the 90s which will capture the aspirations of black America and improve the quality of life for those we serve.

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STATEMENT ON ECONOMIC ISSUES

The majority of black Americans who were interviewed in a recent JCPS/Gallup survey identified unemployment as the most important public policy issue facing the nation. Like most other economic issues important to blacks, unemployment must be viewed within the context of the overall economic picture of the United States. The first section of this paper, therefore, looks at economic trends in the country as a whole, relating the employment situation for blacks to these trends. The second section then focuses specifically on income and wealth within the black population. Since any change in the economic position of blacks will require changes in government policy, the role of the government is examined next, followed by policy recommendations.

Overall Economic Trends in the United States

The U.S. economy has expanded tremendously since World War II, with GNP increasing 250 percent in real terms between 1947 and 1985 and real per capita disposable income doubling during that period. However, the postwar growth has not been without its problems; most of the growth took place before 1975; and since 1980, the economy has suffered from two downturns in production.

One of the problems is that the economy has not expanded rapidly enough to accommodate the rising labor-force participation of the population--the proportion of the population that is employed or looking for work. Thus, although employment has risen by 90 percent during the postwar period, the unemployment rate has drifted upward. Some economists have pointed out that part of the reason for the increase in labor force participation has been that families sought to maintain their standard of living by throwing more of their members into the labor force. This has created more and more competition for the jobs that are being created. And because black families have fewer workers to put into the workforce, their position relative to whites has been adversely affected by the trend.

A second problem, at least for blacks and other low-skilled workers, has been that the composition of the demand for labor has changed, creating difficulties in terms of employment and income for these groups. Over the entire postwar period, the service sector has expanded while the goods-producing sector has declined. In 1947, the manufacturing sector employed more than one-third of all workers; in 1985, that figure had dropped to less than 20 percent--a decline of 40 percent in manufacturing's share of overall employment. Combined employment in finance, insurance, real estate, and services increased by 81 percent, with services alone accounting for a larger share of employment in 1985 than manufacturing did (22.45 percent versus 19.18 percent). Workers who did not have high levels of education were able to hold fairly high-wage jobs in manufacturing, but as the manufacturing sector shrank, many of those workers experienced salary cuts or extended periods of unemployment. The service jobs they were qualified to fill did not pay as much as the jobs they lost.

A third problem has resulted from shifts in the geographical location of industry. Employment in manufacturing (and other sectors) has been shifting from the industrial areas of the Northeast and Midwest to the South and West. And within metropolitan areas, manufacturing employment has moved to the periphery, so that job opportunities in the central cities are mainly in the service and clerical areas. These changes in the geographic location of jobs have affected blacks in particular because they are more likely to be living in the industrial and central city areas where jobs have declined.

Production of manufactured goods has not just shifted within the country; a substantial proportion of the goods consumed by Americans are now produced overseas. Imports as a share of GNP have increased 164 percent since 1947, while exports have increased much more modestly. Consequently, the U.S. position in international markets has deteriorated, which has led to further pressure on manufacturing jobs and large trade deficits that have been financed through the willingness of foreigners to hold U.S. debt.

All these gradual shifts in the U.S. economy might not have been damaging, had they not been intensified and exaggerated by two recessions in the 1980s. One, in 1980, was short; the second, in 1981-82, was longer and much more severe. As a result of the two periods of economic decline, real

GNP increased an average of less than 3 percent per year over the first half of the decade. At the end of the second recession, unemployment was so high--10.7 percent--that during the subsequent expansionary period (1983-87), it did not drop below 7 percent until the second half of 1986. In fact, as late as January 1984, a full year after the expansion began, a substantial proportion of those who had been laid off were still not reemployed. By January 1984, only 61 percent of white workers and 42 percent of black workers who had had at least three years on the job before layoff (designated "displaced workers") had obtained new jobs. By January 1986, those numbers had increased to 68 percent of white workers and 58 percent of black workers. But more than 40 percent of the displaced workers who had been able to obtain new employment took wage cuts, and many had been unable to regain employment in the same industries as before. (People who had jobs could rejoice that the recession had entailed a slowdown in the rate of inflation; for people without jobs, however, lack of employment income seriously limited the value of a low inflation rate.)

Income and Wealth Inequality

Just as the U.S. economy has exhibited both expansion and contraction, the income levels and degree of inequality within the black population have both increased and decreased. During the rapid expansionary period from 1960 to the mid-1970s, median family income for blacks increased both absolutely and relative to whites. Since that time, however, black-white median income ratios have fallen and real income for blacks has stagnated.

In 1985, the ratio of black to white median family income stood at 57.6 percent, and in 1986 it had dropped to 57.1. This is higher than the 1980 ratio but below the 61.3-61.5 percent ratio that prevailed in the mid-70s. A substantial part of the difference in black-white income is attributable to the position of blacks in the labor market. Because of that position, blacks are less likely to be employed and therefore receive much less income from employment--the major source of income for most families--than is the case for white families. Black families receive only about 77 percent of their income from employment sources, compared to 82 percent for white families. Blacks also receive less income from dividends, rent, etc. Consequently, they are much more reliant on governmental transfers to make up the balance.

There are a number of reasons for the low employment incomes. First, blacks have much higher rates of unemployment than whites, and they are much more likely to be employed part-time when they want to have full-time job. The effect of full-time employment is most readily seen in figures that compare black and white family income for families in which the heads are employed full-time, year-round and black-white differences for all families. Black families in which the head was fully employed in 1986 had a median family income of $28,690 compared to $17,604 for all black families. They also had a median income that was 75 percent of the median income for white families with a fully employed household head, compared to a black-white ratio of 57 percent for all families. Second, black families tend to have fewer adults to put into the labor force than do white families, which lowers both absolute and relative incomes. Black families with two adult workers have incomes that are 82 percent of the incomes of white families with two earners while black families with one or no earners have incomes that are between 59 percent (female head) and 71 percent (male head) of the incomes of white families with the same structure.

Black family income has not only fallen relative to white families in the last decade, it has fallen in real terms as well. Median black family income in the middle 1970s was higher in 1986-valued dollars (over $17,800) than it was in 1986 ($17,604). This stagnation in black family income has two major causes. One is the higher unemployment of black workers in recent years, and the other is the shifting composition of black families. The two reasons are probably interrelated, for joblessness--which is our concern here--is thought to reduce a black male's potential for being the head of a family. Therefore, a significant reduction in unemployment among blacks would result in a substantial improvement in the economic conditions of black families.

Black unemployment has averaged about twice that of whites for the entire postwar period, but since 1976 the pattern has changed. The tendency until the 1970s was for the ratio to rise during

economic contractions and to fall during economic expansions. Since 1976, however, the black-white unemployment ratio has not dropped below 2.0 and has tended to widen rather than contract during economic expansions.

These higher unemployment ratios were not the result of more blacks, proportionally, entering the labor force than whites. Whereas in 1948 the labor force participation rate of nonwhites was 6 percentage points higher than that of whites, in 1985 the labor force participation rate of black workers was 2 percentage points lower than that of white workers. (The shift in labor force participation resulted from a more rapidly declining labor force participation rate among black males than among white males and a more rapidly increasing labor force participation rate among white females than among black females.)

Blacks have made some employment gains during the postwar period, and these should not be overlooked. Blacks have increased their representation among professional and managerial workers and are much less likely to be found in domestic and farm employment. They are still more likely to be found in the low-skilled blue collar occupations, however, and their longer periods of unemployment indicate that blacks still lag behind whites in terms of occupational advancement. Moreover, the gains made by some blacks have not been shared with the less well educated, and joblessness is very high among blacks with less than a high school education. Only one-fourth of adult black women without a high school diploma and only about one-half of adult black men without a high school diploma are employed.

While the position of black youths within the labor market has less of an impact on present black family income than do the employment problems of black adults, the youths' poor position in the labor force may have dire consequences for future family income. Youths who have poor labor market experiences may be more likely to be marginal participants in the labor force as adults. And young women who do not obtain employment may be more likely to have children early and be unable to gain meaningful work experience, increasing the likelihood of long-term welfare dependency. Moreover, it is among youths that the changes in relative rates of employment have been most adverse. While white youths (ages 16-24)--both males and females--have increased their employment rates since the 1950s, black male youths (ages 16-24) and black female teenagers (ages 16-19) have seen a sharp drop in their rates of employment.

Occupational improvements for blacks who have high levels of education, and occupational deterioration among those who have low levels of education, have resulted in a growing "income gap" within the black community. When the black income distribution is examined either in terms of the share of black income going to each fifth of black families or in terms of the percentage of black families earning more than $25,000 and the percentage earning less than $7,500, it is clear that income is more unevenly distributed within the black community than it used to be and that the gap is growing. In 1947 the bottom two-fifths of black families had 15 percent of total black family income. In 1986, they had 12.2 percent. In contrast, the top two-fifths had increased their share of black family income from 69.4 percent in 1947 to 72.2 percent in 1986. The distribution within the white community is not as skewed, and blacks in the upper fifth of the black distribution are closer to whites in the upper distribution than blacks in the lower end of the distribution are to whites in the bottom fifth of the white distribution.

When viewed in terms of income levels, it is clear that black families with two adult workers, more education, and a residence in the growing regions of the country fare much better than blacks with no more than one adult worker, less education, and a residence in the slow-growing regions of the country. A black family with both husband and wife in the labor force has about a 50 percent chance of earning more than $25,000 and a 5 percent chance of earning less than $7,500. The chances are reversed for a family headed by a black woman with no husband present.

The wealth position of blacks is even worse than the income position. A recent report by the U.S. Bureau of the Census indicates that the gross wealth of blacks is about one-third that of whites--but the net worth (assets minus liabilities) for black households is only 8.7 percent of that of white

households ($3,400 versus $39,140). Even when net worth is examined by income group, the differences between black and white households are large. Moreover, of the three forms of wealth most often held by blacks (car, owner-occupied home, and interest-bearing accounts in financial institutions), only one earns income.

One of the forms of wealth that blacks are least likely to hold is business ownership, which is important not only because of its wealth potential but because it provides additional job opportunities for minority workers. Business ownership rates are lower among blacks than among most other ethnic groups. An examination of formation and failure rates for the 1972-77 period reveals that lower formation rates, rather than higher failure rates, are the reason that blacks lag behind not only whites but also Asians and Hispanics. Moreover, black businesses have traditionally been concentrated in the retail and personal services area, where there are few or no employees and low gross receipts. In the past 10 years blacks have begun to move into the so-called emerging sectors (manufacturing, business services, wholesale, transportation and public utilities, and finance, insurance, and real estate). Analysis completed at the Joint Center indicates that between 1977 and 1982, the largest black firms grew faster than the economy as a whole and doubled their annual receipts. A major share of some of these fast-growing firms came from government set-aside programs.

A number of reasons have been advanced to explain the low rate of business ownership among blacks. Lack of capital is one that is particularly important because it limits the number of blacks who can move into the emerging lines of business--those referred to above--that have the potential to generate large numbers of jobs and high rates of return. A recent study completed for the Minority Business Development Agency indicates that blacks may be discriminated against more than Hispanics or Asians in capital markets--they have more trouble borrowing money and raising equity capital. When this fact is combined with the much lower capital availability within the black community (the result of low incomes and, perhaps, different preferences as to the types of wealth to accumulate), it is clear that blacks are limited in their ability to enter many industries, regardless of other barriers to entry.

The Role of Government Policy

At the beginning of a presidential election year--one that will necessarily produce a new administration--it is critical for the United States, in general, and for black Americans, in particular, to consider new policy directions. Furthermore, as 1987 draws to a close, the direction in which the U.S. economy is headed is unclear, so policy decisions appear to be especially needed at this point. The recent stock market fluctuations and the large declines in the Dow-Jones average have generated speculation on the probability of a recession. Concern centers on two problems: the federal deficit and the large adverse U.S. international trade balance. Among the proposals being made for new federal policies to cope with those two problems, some will be better for blacks than others. Four especially critical areas for policy decisions are macroeconomic policy, international trade, employment and training, and minority business development. Decisions in all four areas will have an impact on the employment position and economic well-being of blacks.

The federal government currently has programs in all four areas. Since the 1960s there have been government policies designed to increase the rate of macroeconomic growth and to generate employment; there are de facto policies of international trade and immigration; there are programs to reduce discrimination in employment, in lending, and so forth; and programs to provide education and training to the disadvantaged and to provide income support for those who cannot or are not expected to work. However, all these programs obviously did not solve either the employment problems of the overall economy or the problems of black-white inequality.

In the past seven years, there has been a shift away from the policy thrust of the 1960s. The argument made at the time was that these "old" programs were counterproductive and that new policies were needed to improve economic performance. The major components of the policy shift are as follows:

- more reliance on the private sector for job creation and economic expansion;

- o dependence on voluntary compliance with equity and consumer protection concerns; and
- o reduction of federal support for means-tested programs.

The success of the government's efforts has been debated, but even if those efforts are judged successful by the standards of the current administration, it is clear that the results have been of limited benefit to blacks.

An Urban Institute study of the various aspects of the Reagan administration's policies indicates that during President Reagan's first four years in office,

- o social services were cut back in ways that were more likely to hurt blacks, since blacks are more dependent on public programs;
- o shifts to block grants and to state and local support meant that the provision of services across the country became more uneven; and
- o the combination of reductions in the real value of many transfer programs and economic recession left blacks worse off in 1984, both absolutely and relative to whites, than they had been in 1979.

While a detailed analysis of past programs is beyond the scope of this paper, a brief review is given to provide a context for the policy recommendations.

Macroeconomic Policies. During the 1960s the federal government used government tools such as fiscal and monetary policy in an aggressive way to affect the rate of overall economic growth. However, during the 1980s the policy has been to "let the private sector do it." The use of fiscal policy to expand employment opportunities has been limited by concern for the deficit and by an aversion on the part of the Reagan administration to expanding government spending on most domestic programs. Instead, the hope has been that tax reductions and business deregulation would provide incentives for the business sector to increase investment and expand employment. Given the reduced rate of growth achieved in recent years and the current economic uncertainty, one could reach the conclusion that this policy has not been an unqualified success. Certainly, blacks have not fared as well as they did under the earlier sets of policies.

International Trade. In the international policy area, the deterioration in the international economic position of the United States and the effect of that deterioration on manufacturing employment have given rise to proposals to restrict access to U.S. markets by overseas companies. However, less has been said about domestic companies' overseas operations. Overseas production by American companies, in combination with foreign countries' increased production for American markets, has led to lower employment opportunities for American workers (including black workers) in manufacturing. At the same time, immigration laws have played a part in the influx of labor at the low end of the job market, creating more competition for youths and low-skilled adult workers. This is a particularly serious problem for blacks, who constitute a high proportion of the low-skilled adult workers.

Employment, Training, and Other Targeted Programs. During the 1960s, the federal government developed and expanded a set of programs designed to (1) provide education and training to the disadvantaged and income support to those in poverty, (2) protect the employment rights of minority groups, and (3) promote minorities' greater participation in the economy. In the past six years many of the programs have been restructured and, on several policy issues, debate about the appropriate course of action continues.

In both education and training, for example, there has been a shift toward more private sector involvement and support. Federal financial support for formal education has declined, with more emphasis on state and local support of elementary and secondary programs (and business sector involvement as well) and more emphasis on family support of higher education. Both those changes in emphasis would

seem to be detrimental to blacks, who may not receive the same level of support from these other sectors that they did from the federal government. Similarly in the area of training, the Comprehensive Employment and Training Act (CETA) was replaced by the Job Training Partnership Act (JTPA). JTPA does not include subsidized public employment (which was an important component under CETA), and the use of stipends is sharply curtailed. The power of the Private Industry Councils (PICs) was increased, and greater emphasis was placed on performance standards.

But many evaluators of employment and training programs feel that these shifts have led program operators to select participants from the least disadvantaged among those eligible for participation (an approach that is called "creaming"), and the changes may have been particularly detrimental to disadvantaged female heads of household and to out-of-school youths. Moreover, it is hard to consider these changes without also considering the proposals to institute "workfare" for AFDC recipients--an idea whose time seems to have come. Those states that have either imposed work requirements or have made voluntary work programs available to welfare recipients have made use of the JTPA program for job training. However, there is some concern that expansion of the workfare concept may run up against the federally imposed performance standards within JTPA.

In the area of equal employment opportunity, too, the current administration has placed more emphasis on voluntary compliance. In addition, it has tended to be opposed to affirmative action (as the administration defines the concept). Yet, evidence on the differences in employment and earnings between blacks and whites with similar characteristics would suggest that there is still a place for the vigorous pursuit of affirmative action policies.

Minority Business Development. The administration has also taken action to restrict the opportunities for minority businesses to obtain government contracts both through departmental procurement goals and through the Section 8(a) set-aside program. The administration's position is that these protected markets are not beneficial to the development of competitiveness within the larger economy and that these firms should be subjected to the "free market" test. At various times administration officials have proposed to eliminate either the Small Business Administration (SBA) or the Minority Business Development Agency (MBDA) or to combine the two of them. A policy to "graduate" companies from SBA's 8(a) program more quickly--to force them out of the sheltered government set-aside market--was instituted, but there is evidence that some of the firms that were abruptly terminated from the program have suffered adverse effects.

Policy Recommendations

While there was a great deal of support for the Reagan administration's policy thrust in 1981, many policymakers now feel the need to make some adjustments in federal policy. Again, focusing on the four areas of concern, some guiding principles are set forth below to help blacks determine the types of policies that might be most beneficial or least harmful to them.

Macroeconomic Policy. The entire post-World War II experience leads one to conclude that blacks make the best economic gains during periods of rapid economic expansion. Therefore, one of the objectives of federal economic policy must be to expand and maintain the rate of economic growth. But at the same time, recent uncertainty within both the domestic business community and the larger international economic community requires prudent policy analysts to acknowledge that the large federal deficit is a constraint on the government's ability to pursue a vigorous and aggressive fiscal policy. However, concern with the deficit should not mean that there is no room for judicious expansion of selected programs.

In fact, in the long run, economic expansion will tend to reduce the deficit, provided no changes are made in the tax structure. The decision (incorporated into the Tax Reform Act of 1986) to index personal income taxes reduced this automatic adjustment, causing tax revenues to increase only when income grows at a faster rate than inflation. Therefore, reducing the deficit on the revenue side of the budget will require a change in tax rates or an increase in the number of taxes used. The structure of any tax change will determine how revenue increases affect blacks. Since blacks are disproportionately

represented among lower income groups, they are relatively better off (or less adversely affected) when tax increases are skewed toward higher income groups. They suffer more when the increases are skewed toward low-income groups.

Similarly, the way that reductions on the expenditure side of the budget are structured will have differing impacts on blacks. As indicated earlier, the 1981 expenditure cuts had a disproportionate impact on blacks because the cuts were heavily weighted toward social programs that were targeted at low-income and socially disadvantaged groups. To the extent that deficit reduction is pursued by further reducing federal programs or increasing total expenditures only modestly, attention should be paid to minimizing the negative effects on the disadvantaged members of American society who have few alternative sources of support and protection.

International Trade. The budget deficit is not the only major concern of economists and policymakers. The deterioration in the U.S. balance of trade is equally disturbing and has led federal policymakers to give more consideration to a policy of protectionism. On the surface, such a policy seems to benefit everyone because it protects American jobs and generates more income to circulate within the economy. However, the reality of the situation is much more complicated. Certain types of protective action will reduce the availability of low-priced goods to low-income consumers (who are disproportionately black). Although the positive side of protectionism is supposed to be the maintenance of jobs held by the "working class," a recent analysis of the composition of jobs lost to imports indicates that during the 1980s these jobs were disproportionately held by white males. Moreover, selected protective action in the past has not prevented businesses from eliminating jobs. In addition, analysis of import data shows that a substantial proportion of imports are items that contain some domestic labor content. That is, they are products that American workers initially worked on, that were exported for further work, and that were then reimported. As is the case with the federal deficit, blacks should not necessarily be strongly for or against protective action. What they should endorse is the promotion of policies that minimize the negative effects on low-income consumers and that require firms receiving protection to show an effective and positive impact on jobs. Monitoring industries that receive protection and imposing penalties on the industries that do not undertake the actions they promised is one strategy that would improve outcomes.

Employment and Training. Some policy analysts maintain that a more effective strategy for increasing U.S. competitiveness in the world economy is to invest in improvements in worker productivity, through both research and development and education and training. A set of effective education and training policies can be highly beneficial to blacks and to the nation as a whole. Studies on the composition of the American workforce in the year 2000 show that 80 percent of the new entrants to the workforce will be white women, minorities, and immigrants. These groups have not been favored in the labor market in the past. Minorities, in particular, have suffered from both discrimination and a lower level of investment in education and training; and blacks are disproportionately represented among the members of the labor force who lack both a high school education and job-specific skills. If these new minority workers are to make a successful entrance into the workforce, existing employment and training programs will have to be revamped.

As the current JTPA program is structured, many of the most needy will not be served adequately by the employment and training programs available. The training periods are too short, and most of the programs do not provide the range of basic education and job-specific skills that the most disadvantaged (including youths) require if they are to obtain decent jobs. Women on welfare have been targeted as a group that should be moved toward economic independence through employment and training initiatives. But these measures will improve the economic condition of these women and their families only if the women obtain the skills needed to get a job that pays more than poverty wages and if they have supportive services--child care and health benefits--to make the transition from welfare to work.

Education and training will improve the employability of minorities in the labor force, but available data indicate that this will not be enough to ensure equal opportunity in the labor market. Affirmative action programs and, in particular, a strong federal position on affirmative action and equal employment opportunity are needed.

Minority Business Development. Increasing the number and size of minority businesses serves a two-fold purpose. It increases the wealth holdings of the minority community, and it provides additional job opportunities for minority workers. Recently released Census Bureau data indicate that 86 percent of the black-owned firms with employees had workforces that were more than 50 percent minority in 1982. Only 18.3 percent of white-owned firms had workforces that were more than 50 percent minority.

The earlier discussion of minority business identified low formation rates as the major factor in the low representation of blacks in self-employment. Two key variables are important in increasing formation rates--capital availability and market development. The federal, state, and local governments can improve minority access to both capital and markets. The government itself is an important market to minority firms (and, incidentally, to some large majority firms as well). An effective minority set-aside program can be important in the formation and expansion of minority businesses, especially those with the potential to employ large numbers of people. A review of the Black Enterprise list of the top 100 black-owned firms reveals that many of the emerging firms (those in high technology, wholesale, and production) that are doing well are 8(a) firms. At the state and local levels, similar statistics can be cited.

Summary

The primary issues for federal policy are economic growth and international competition. The rate of growth that has prevailed during much of the 1980s has not been sufficient to reduce unemployment among blacks to rates that prevailed in earlier periods, and many of the jobs that have been created pay low wages and seem to provide little room for upward mobility. In particular, rapid growth is necessary if the more-targeted programs are to be effective. The federal deficit is a valid concern, but judicious policies can be developed to reduce the deficit while minimizing the negative effects on those at the lower end of the economic scale.

Policies that are directed toward increasing U.S. competitiveness in the world economy should lean more toward increasing worker productivity so that both employment and consumption gains are made. Policies that protect American products without protecting American jobs and that increase consumer prices while reducing the range of products available are not in the best interests of black Americans.

Education, employment, and training programs are vital to improving the economic condition of the less disadvantaged worker. The ability to obtain a job that pays a nonpoverty wage and that provides opportunities for upward mobility is key to the well-being of workers and their families. Programs that are effective in this regard are not inexpensive. However, the investment is a sound one.

In addition to more jobs, the black community needs more businesses. The ability to generate viable businesses using only the resources and markets of the black community is extremely limited. Government support for minority business development is crucial.

As we face a new presidential administration, one that could take us most of the way to the year 2000, it is critical that the policies developed address the needs of minority Americans. What is at stake is not only their future but also the future of the entire country.

STATEMENT ON
CHILDREN AND OUR NATION'S FUTURE

I. BACKGROUND

Of the four- and five-year-olds in today's America--the potential students and workers in the year 2000--one in four is poor;

- o one in three is nonwhite or Hispanic, among whom two in five are poor;
- o one in six has no health insurance;
- o one in five is at risk of becoming a teenage parent;
- o one in six lives in a family where neither parent has a job;
- o one in seven is at risk of dropping out of school;
- o one in two has a mother working outside the home, but only a minority receive quality child care.

The nurturing unit of today's four-and five-year-olds--the family--is imperilled by extraordinary social change and economic instability. Socially, of every 100 children born today,

- o 20 will be born out of wedlock;
- o 12 will be born to parents who divorce before the children reach 18; and
- o 40 will live in female-headed households before adulthood.

Economically, of every 100 children born today,

- o 13 will be born to a teenage mother, whose earning power is necessarily low;
- o 15 will be born into a household where no parent is employed;
- o 15 will be born into a household with a working parent earning a below-poverty-level wage; and
- o 25 will be on welfare at some point before adulthood.

To ignore these facts is to jeopardize America's future and undermine the competitiveness and productivity of our economy in the 21st century. In 1978, young people aged 16-24 constituted 27 percent of the working-age population (ages 16-64). By 1995, the young worker group will be only 18 percent of Americans of working age, and one in three of our new workers will be minority. As the number of young workers steadily declines, business and industry will have a smaller pool from which to draw and will therefore be forced to rely upon workers and potential workers in whom we traditionally have failed to invest. So our prospects as a nation depend largely on our ability to cultivate a new generation of citizens, employees, leaders, and parents from a pool of children that, without intervention, will remain disproportionately poor, undereducated, and untrained.

And individually, as we grow older we will depend on these children to meet our own needs. The elderly will depend not just on their own children, as was the case for the elderly in the past, but increasingly on all American children. Many more of us will be relying on Social Security and Medicare, and those resources will require the contributions of the next generation's children.

It is therefore in our self-interest both as individuals and as a nation to ensure that not just our own children but also their contemporaries and that generation's children are healthy, educated, and productive. Fortunately, many adults are beginning to see the convergence of their self-interest, the national interest, and the interests of poor children.

If we want to preserve the children's futures and our own, we will have to rededicate ourselves to government's side of the partnership for needy children, and we have to do it now. Moreover, in any discussion and debate about national priorities, two fundamental questions must be included:

- How do we help today's children become healthy, educated, and self-sufficient adults, breaking the cycle of poverty and alleviating its effects?

- How do we address the root causes of child poverty--adult unemployment, low and declining wages, and formation and dissolution of the family?

Taken together, the recommendations that follow constitute a comprehensive long-term policy of investing in programs that help poor children and their families. Such a policy would embody a new national commitment to ensure as well as we can that every child has basic health, nutrition, and early childhood services and thus has the capacity and opportunity to learn well and to develop strong basic academic skills.

It is not the aim here to go into detail on state and local policies and individual and community efforts that are an integral part of the partnership between family and government. Certainly, state and local policies that conform to and supplement the approaches suggested here are absolutely essential. So, too, is the aggressive involvement of individual parents, community organizations and activists, and volunteers who work to improve children's lives.

But at a time when many have argued that national government has no role in these matters, it is necessary, we believe, to emphasize the unique role that federal policy must play, especially in major areas such as health care and health insurance, hunger and nutrition, child care and child support, welfare reform, and education. The underlying problems, though, do lend themselves to--and even require--creative state and local efforts, as well.

Maternal and Child Health

Improved access to health care results in dramatic improvements in the mortality rate among infants.

- The rate of death among all infants fell only 15 percent from 1950 to 1965, but it fell 49 percent between 1965 and 1980--after Medicaid and other key public health programs were created.

- Among black infants, the rate of death fell only 5 percent from 1950 to 1965, but it fell more than 50 percent between 1965 and 1980.

Public health programs for pregnant women have proven to be cost-effective, and they save money in the long run.

- Every dollar spent to provide comprehensive prenatal care for Medicaid-eligible pregnant women saves two Medicaid dollars in the first year of the lives of their babies--because fewer babies are born with low birthweights, and, therefore, fewer babies need hospital care.

Publicly supported health programs reach only a fraction of the women and children who need them. Since 1981, the effectiveness of the programs has been curbed severely by cuts in the federal budget.

- Between 1976 and 1986, the percentage of poor families covered by Medicaid fell from 65 to 46.

- In 1985, Medicaid reached 400,000 fewer children than in 1978, when the number of children then living in poverty was a third lower.

- The WIC (Women, Infants, and Children) program--which provides food supplements, nutrition counseling, and links to basic health care for low-income infants, children, and pregnant and nursing women and which has been found to be a major influence in reducing the incidence of babies born with low birthweights--reaches only 40 percent of those eligible for it.

- Public health centers serve only 5 million of the nation's 25 million underserved citizens, two-thirds of whom are (a) children and (b) women of childbearing age.

The health status of America's infants and children has declined significantly in recent years.

- Between the periods 1950-55 and 1980-85, among 20 industrialized nations, the U.S. ranking on infant mortality fell from sixth place to a tie for last place.

- A black infant born within five miles of the White House is more likely to die in the first year of life than an infant born in Third World countries like Costa Rica or Jamaica.

- In 1984, for the fifth consecutive year, the nation made no progress in reducing the percentage of infants born to women who received late or no prenatal care. The 10 states with the worst records were New Mexico, Texas, D.C., New York, Florida, Oklahoma, Arizona, Arkansas, South Carolina, and South Dakota.

- Teenage childbearing contributes disproportionately to the number of babies with low birthweights and stagnating infant mortality rates because teenagers have limited access to prenatal care. For example, in New York, South Carolina, Florida, Oklahoma, and West Virginia, only one-third of all infants born to teens in 1984 had mothers who began prenatal care early in pregnancy.

What's Needed

1. No woman or child who is eligible for the WIC program should go without these benefits. Yet only 40 percent of those currently eligible are being served. Sufficient funding should be made available to raise participation over the next five years so that by 1992 all eligible women and children are served. For FY 1988, at least $200 million in additional federal funding is needed; at least $200 million annually for the subsequent four years would also be necessary.

2. Funding for the Maternal and Child Health Block Grant and the Community Health Centers program should be increased sufficiently over the next five years to permit health services in all medically underserved areas.

3. Medicaid provides health coverage for families with children. Yet eligibility is generally restricted now to only the very poorest families who receive welfare. All families should have access to affordable, adequate health coverage. To help meet this goal, Congress should, on a phased-in basis, raise Medicaid to extend coverage to all children and their families who live below the federal poverty level.

States should immediately exercise their option to provide Medicaid coverage to all children up to age 18 living in families with incomes below AFDC eligibility levels.

4. Congress should phase in a program under which uninsured near-poor families with incomes above the federal poverty level would be able to purchase Medicaid for a premium that would vary according to the family's ability to pay. Within the next 10 years this program should be instituted

nationwide for all individuals and families who are without group health coverage. Funding would come from a series of sources, including individual premiums, general revenues, and dedicated taxes.

Health Insurance

Decent health care, including preventive care, is very expensive in this country. Few can afford it unless they are insured and insurance is very expensive unless it is provided through employers or public financing. Millions of families--especially lower-income working families and unemployed families--are covered by neither private nor public health insurance.

Between 1979 and 1984 the number of completely uninsured Americans under age 65 grew from 26.2 million to 35 million--a one-third increase in just five years. Many other Americans are insured for only a portion of each year.

Children Without Health Care

- Children, who make up 25 percent of all Americans younger than 65, are most affected by weaknesses in the public and private health insurance systems. In 1984, they constituted one-third of America's 35 million persons without either public or private insurance.

- The majority of uninsured children live in families with a working parent or parents.

- More than two-thirds of all uninsured children live in families with incomes less than twice the federal poverty level.

- One-third of all poor children are completely uninsured, and another third are insured for only a portion of each year.

- Women and children living in families headed by single parents run two and one-half to three times the risk of being uninsured as women and children living in two-parent families.

- One in four black children, compared to one in six white children, is uninsured.

Private Health Insurance

- Employer-sponsored health care plans are the single most important source of private health care coverage for Americans younger than 65. In 1984, nearly 80 percent of all Americans with private insurance received it through employer plans.

- Many full-time and part-time workers (and their families) were not provided insurance as a fringe benefit of employment. Thirty percent of all employers who pay the minimum wage to more than half their work force offer no health insurance. A child living in a poor working family is only half as likely to have private health insurance as a child living in a nonpoor family.

- Even when coverage through employment is available, if family coverage requires large premiums or other costs to employees, workers earning low wages may be forced to leave dependents uncovered. It has been estimated that more than 27 percent of all children who are uninsured live with a parent who is insured.

- Unless employer-provided insurance is available, the typical cost of a family health insurance plan is about $3,500 per year. This is more than half the annual income of a full-time worker who earns the minimum wage.

Public Health Insurance

Medicaid is the nation's largest public program providing health coverage for families with children. Eligibility depends on having an extremely low income, but coverage is available primarily to families that receive welfare. For example, a working family consisting of a full-time working father, a mother, and two children normally is excluded from Medicaid, even if the father is working at a minimum wage job with no health insurance and the family's income is well below the poverty line.

- Because Medicaid virtually excludes poor working families (with limited exceptions for pregnant women and very young children), poor workers and their dependents are 18 times more likely to be completely uninsured than are nonworking families.

- In more than half the states, a woman with two children who earns a minimum wage (about two-thirds of the federal poverty level for a family of three in 1986) will find that she and her children are ineligible for coverage unless she is pregnant or her children are under age 5.

- Medicaid does not reach many low-income children after they turn five years old; currently, 18 states continue to deny Medicaid to very poor children older than five solely because they live with both parents.

- In 1986, only 46 percent of the poor and near-poor were covered by Medicaid--down from 65 percent a decade earlier.

- In FY 1985, Medicaid served 10.9 million children younger than 21--more than 400,000 fewer than had been served in FY 1978, even though the number of children in poverty rose during the same period from 9.7 million to more than 12.5 million.

What's Needed

1. All families should have access to affordable, adequate health insurance. Yet eligibility is generally restricted now to only the very poorest families who receive welfare. Congress should, on a phased-in basis, raise Medicaid to extend coverage to all children and their families who live below the federal poverty level.

States should immediately exercise their option to provide Medicaid coverage to all children up to age 18 living in families with incomes below AFDC eligibility levels.

2. Congress should also phase in a program under which uninsured near-poor families with incomes above the federal poverty level would be able to purchase Medicaid for a premium that would vary according to a family's ability to pay. Within 10 years this program should be instituted nationwide for all individuals and families who are without group health coverage. Funding would come from a series of sources, including individual premiums, general revenues, and dedicated taxes.

Hunger and Nutrition

After a decade of progress in reducing hunger and malnutrition in America, hunger and malnutrition have reemerged in the 1980s.

- The Physicians' Task Force on Hunger in America estimated in 1985 that about 20 million Americans go hungry at some point each month, and that malnutrition affects almost 500,000 American children.

- A 1986 survey by the U.S. Conference of Mayors showed that requests for emergency food assistance increased in 1986 by an average of 25 percent in 22 of 25 major U.S. cities.

- Medical records in a Chicago hospital showed that between 1981 and 1983 the number of children admitted for conditions linked to inadequate nutrition increased by 24 percent.

- A 1983 Massachusetts study found that 10,000 to 17,500 poor children in that state suffered stunted growth, largely because of chronic malnutrition. Nearly one in five low-income children surveyed was either stunted, anemic, or abnormally underweight.

Our nation knows how to attack this problem and has done so before. During the decade between the end of the 1960s and the late 1970s, government programs to feed the needy significantly alleviated hunger and malnutrition in the United States.

- Between 1965 and 1978, the nutritional gap between low-income Americans and the rest of the population narrowed significantly, according to a federal government study. No events other than the emergence of federal food programs can account for this improvement.

- The WIC program (which provides food supplements, nutrition counseling, and links to health care for low-income infants, children, and pregnant and nursing women) has been found to be a major influence in reducing the incidence of babies born with low birthweights. A 1986 study found direct links between WIC and a reduction in late fetal deaths, decreases in the rate of premature births, increases in the proportion of poor pregnant women seeking prenatal care, and improved diets for women, infants, and children.

- A major evaluation of the school lunch program found that school lunches improve the nutritional status of school children, with the greatest improvement occurring among low-income children.

Despite these successes, government programs have never reached all those who need them and who have lost further ground because of substantial cutbacks since 1981.

- The food stamp program helps more than 19 million Americans. Households receiving food stamps have average gross incomes of $376 a month ($4,512 a year on an annualized basis) and average cash assets of $55 (in 1983). Two of every three food stamp recipients are either low-income children or people who are elderly or disabled. Poor children alone constitute half of all recipients.

- Between 1980 and 1985, when the number of persons below the poverty line jumped from 29.3 million to 33.1 million, for every 100 persons below the poverty line the number of people receiving food stamps actually fell, going from 68 to 60.

- Many food stamp recipients must still struggle to meet their basic nutritional needs because the program's benefit levels are so low. Eligibiilty restrictions enacted in 1981 and 1982 made many households ineligible for the program.

- As a result of inadequate funding, the WIC program reaches only 3.4 million people, or fewer than half of those eligible for it.

- The four basic child-nutrition programs--the school lunch, school breakfast, child care food, and summer food programs--were reduced by 29 percent from FY 1982 through FY 1985. A modest increase in a few child-nutrition programs was in effect in FY 1987 but totaled just 2 percent of the annual amount that the programs had been cut in 1981.

  - As a result, the number of children receiving school lunches each day fell by 2 million.

  - The number of low-income children receiving free or reduced-price lunches dropped by nearly 700,000.

-- Since 1981, nearly $130 million a year has been cut from federal support for meals served to children in day care centers and homes.

What's Needed

1. No woman or child who is eligible for supplemental nutrition assistance under the WIC program should go without these benefits. Sufficient funding should be made available to raise participation over the next five years so that by 1992 all eligible women and children are served. At least $200 million in additional federal funding is now needed, to be followed by comparable increases in each of the four subsequent years.

2. Food stamp benefit levels must be increased to reflect current food costs more accurately. In addition, the food stamp asset eligibility limits should be increased.

Child Care

A growing majority of American families need child care.

- o More than half of all women who have children younger than three work, as does an even higher percentage of women who have preschool and school-age children.
- o Seventy-one percent of working mothers with children under age 18 work full-time, as do 60 percent of working mothers with children under age three.
- o Women are working to help maintain family incomes. A quarter of working mothers have husbands who earn less than $10,000 per year; 50 percent have husbands earning less than $20,000 a year.
- o In the next decade, the need for child care will continue to grow. In 1979, 7.2 million children under age six had mothers in the labor force; by 1985, the number was 9.6 million; and by 1995, the number will rise to 14.6 million.
- o By 1995, more than three-quarters of all school-age children and two-thirds of all preschool children will have mothers in the labor force.
- o Yet in 1986, only 3,000 out of 6 million employers provided any help to meet their employees' child care needs.

For low-income families, whether headed by one parent or two, child care is a critical first step toward self-sufficiency.

- o In 1983, 2.3 million poor children, or more than one-sixth of all poor children, lived in families with a parent who worked full-time.
- o Poor and near-poor families cannot bear child care costs without help. The typical cost of full-time child care is $3,000 per year for one child, or one-third of the poverty level for a family of three. With two children in care, a family of four with poverty-level wages would need to spend more than half its income on child care.
- o Studies show that lack of child care is a key barrier to employment for AFDC mothers; 90 percent had children under age 12 and more than half had children younger than six. Nearly two-thirds cited child care as the major difficulty they faced in seeking, getting, and holding a job.

The federal government has not taken a significant role in helping low-income working parents meet their child care needs.

- The Title XX Social Services Block Grant, a broad federal program helping states meet a wide range of social service needs, is the major source of direct federal assistance for child care, but Title XX funding is now one-half (in real terms) of what it was a decade ago (now $2.1 billion, down from $4.2 billion). States collectively spend approximately 18 percent of these funds on child care, although individual state commitments vary widely.

- In 1981, even before funding cuts, Title XX child care programs served only 472,000 of the 3.4 million children younger than six who were living in poverty. By 1984, there were 4.9 million poor children in that age group and less money to serve them.

- The smallness of the federal effort, combined with the inadequacy of state child care assistance to poor families, has led to long waiting lists and millions of unserved children:

  -- Fewer than 10 percent of 1.1 million eligible California children 14 or younger can be served at current levels of child care funding.

  -- Of the 137,000 Georgia children with working mothers, 76,000 would be eligible for Title XX child care under the states's income rules, yet only 8,000 can be served.

  -- Louisiana recently cut its day care budget by 11 percent, with an additional 20 percent cut projected for 1987-88. Before the cut, the state served only 4,000 children, with more than 9,000 families on the waiting list.

  -- In 1984, only 20,000 of the 300,000 Pennsylvania children in need of subsidized care received it.

  -- During the 1980s, the tax credit for dependent care has grown to be the largest federal effort to help families pay for child care. It allows a family to deduct a portion of its annual child care expenses from its federal income taxes.

  -- The dependent-care credit is a decent initiative but does not help the poor. In 1984, the credit was used by more than 7.5 million families at a cost to the federal treasury of slightly more than $2.6 billion, but slightly less than half the amount went to families earning less than $25,000 that year.

What's Needed

Passage of the Act for Better Child Care (introduced in Congress in November of 1987) is a necessary first step. This legislation would provide states with new federal funds to meet the following goals:

- make child care more affordable for low- and moderate-income families;

- increase the number of child care facilities and qualified day care staff, to make services available to all families;

- improve the quality of day care services, help coordinate child care resources, and encourage a range of day care options so parents can find appropriate services for their children.

Specifically, the act would

- provide states with funds to provide child care assistance to working families that earn less than 115 percent of the state's median income, adjusted for family size; the amount of family assistance would vary with family income;

- o encourage states to establish grant and low-interest loan programs to start and broaden child care services; and

- o make available to states funds for training and technical assistance for child care providers and for state staff to monitor child care programs.

The act would authorize $2.5 billion for fiscal year 1989 and an additional $500 million in each of fiscal years 1990, 1991, and 1992. To qualify for these funds, states would have to provide a 20 percent match and assurances that the funds would be used to supplement, not supplant, existing federal or state child care funds. Funds would be allocated based on a state's per capita income, the number of children under age five, and other factors.

Child Support

Each state has a child support enforcement program which is responsible for locating absent parents, establishing paternity, obtaining and enforcing child support orders, and collecting and disbursing child support payments. The federal government provides the majority of the funding for child support enforcement. To date few states have established effective and efficient child support systems.

For many of the 8.8 million families in which mothers are raising children without fathers present, child support could provide a critical economic margin. Children do have a right to receive support from both of their parents, and that support should be pursued.

- o In 1985 alone, absent parents failed to pay $3.7 billion of the $10.9 billion in child support they owed their children. Thus, 34 percent of the total amount due in 1985 was not paid.

- o As of 1985, only 74 percent of all those families that were supposed to receive child support (those with court orders or voluntary agreements) received any payments at all. Sixty-three percent of all women due child support had court-ordered payments, and of those, only 38 percent received the full amount due; 33 percent received zero. The remainder received partial payments.

- o Of women with children from an absent father in 1985, about 32 percent, or 2.8 million, had incomes below the poverty level. The mean child support payment received in 1985 by women below poverty was $1,380 per family, or about two-thirds of the average payment received by all women.

- o The average actual child support payment for two children in 1983 was $2,163 per year, an amount equal to only one-third of the resources needed to meet two children's most basic needs in that year (assuming that each child's subsistence needs required at least one-third of the federal poverty level for a family of three).

- o Even when paid in full, child support alone usually cannot lift families out of poverty, according to a 1986 Census Bureau report. Court orders for support (a mean of $2,288 per year per family in 1983), even if fully enforced, are too low to meet children's needs.

If recent improvements in federal and state child support laws are vigorously implemented, they should help boost child support enforcement. But progress in the states has been slow.

- o Congress attempted to strengthen child support efforts by passing the Child Support Amendmends of 1984. The law's provisions require states to enact vigorous measures to collect support (for example, by withholding wages from absent parents when they fall behind on payments) and to improve enforcement services for non-AFDC families. Another change allows AFDC children a modest benefit from child support payments received: The first $50 received

goes directly to the family and is not counted in calculating AFDC eligibility and grant level. The rest generally goes to the state.

- Although most of the provisions of the 1984 amendments were to have been implemented by October 1985 (or the spring of 1986), many states have not yet fully implemented the reforms included in those amendments.

- Many of the problems that led to the reform legislation continue to plague the child support system. These include severe problems of management and resources, causing excessive delays and the denial of services to children and their custodial parents; failure to provide services for establishing paternity; and inadequate benefits from child support awards.

What's Needed

1. Federal leadership and state cooperation are essential to improving the nation's child support enforcement system. There must be standards, and time limits for state agency action on child support cases must be imposed. All states must be required to have automated tracking and monitoring systems in place by a certain date (the federal government already assumes 90 percent of the costs of such systems).

2. Establishing paternity is a necessary first step in many child support cases. Most states have given low priority to cases requiring paternity establishment because those cases have been perceived as being more difficult and costly. Recent scientific advances have eliminated many problems of proof. More federal financial incentives are needed to give paternity cases a higher priority. When teenage parents are involved, special efforts are needed to educate and familiarize teenagers with child support responsibilities; the efforts should include modest funding for demonstration programs directed at teenagers.

3. When child support awards are established, they are often too low to help meet a child's actual needs. States are required to have theoretical guidelines for setting the amounts of child support awards but are not required to use them. Federal policy should require that guidelines be ordinarily used in setting awards, allowing each state to design its own standards and providing some flexibility for special circumstances.

4. A current provision allows an AFDC family in which child support payments are made to retain $50 per month without any effect on eligibility or benefit levels for AFDC (the remainder of the support payment goes to the state). This is the only provision that allows welfare children to benefit when absent parents contribute to their support. That "$50-disregard" provision should be doubled to encourage better compliance by absent parents and to provide greater direct benefit to AFDC children.

Welfare Reform

- According to federal poverty guidelines, in 1986 a family of three needed $760 a month to meet its most basic needs. In July 1986, in 32 states the maximum AFDC benefit for a family of three was less than half the federal poverty level; in 41 states (21 in 1981), help provided by both AFDC and food stamps to a family of three was less than three-fourths the federal poverty line.

- The average monthly AFDC benefit per person in August 1985 was $117.70.

- AFDC benefit levels are increasingly inadequate because almost no state adjusted them to keep up with inflation during the 1970s and 1980s. Between 1970 and January 1985, the level of real AFDC monthly benefits fell by 33 percent in the median state.

- In 25 states, children in two-parent families cannot qualify for AFDC (unless one parent is incapacitated), regardless of how poor they are.

- In 1983 more than half of all AFDC recipients registered in the Work Incentive (WIN) training program had reading and math skills below the eighth- or ninth-grade level, barring them from many entry-level jobs.

- Three-fifths of all adults on AFDC have not graduated from high school, and at least one in four has no prior work experience.

Education and job training for young Americans are one important way of reducing future reliance upon welfare.

- Youths who by age 18 have the weakest basic academic skills are four times more likely to be forced to rely on public assistance than youths with above-average skills.

- The employment prospects of young parents on AFDC are limited by their educational deficits. The average AFDC mother between the ages of 17 and 21 reads at only the sixth-grade level.

What's Needed

Genuine welfare reform requires a long-term commitment to attacking the root causes of poverty in America and a willingness to make sustained investments that bolster the economic self-sufficiency of low-income families. There is no "quick fix" for the problems of the current welfare system. Lasting progress will be achieved only with incremental steps that enhance the employability of current welfare recipients and improve the prospects of the next generation of poor children. A comprehensive approach to welfare reform must emphasize preventive investments. A prevention strategy may increase short-term expenditures for welfare recipients and other poor families, but it will yield dividends for generations to come.

Programs designed to help AFDC families leave the welfare rolls must address serious barriers to employment posed by lack of basic academic and vocational skills and lack of child care and other supportive services. The federal government should provide support for comprehensive programs that provide remedial education, vocational training, and support services to current welfare recipients, giving priority to those who actively seek to participate. Appropriate child care assistance must be guaranteed for AFDC families who are expected to participate in education, training, or employment programs. Transitional child care and Medicaid coverage are essential to meet the needs of children as their AFDC parents attempt to return to the labor market. Financial incentives to work must be restored within the current AFDC system to ensure that welfare recipients who succeed in finding employment are rewarded for their efforts.

Basic income supports must be improved to prevent children in poor families from becoming the next victims in the cycle of poverty. In addition, successful, cost-effective programs such as Headstart, Chapter 1, and Job Corps can break the cycle of poverty, reaching poor and minority youth before they are forced to turn to welfare for basic income support.

Adolescent Pregnancy Prevention

Teenage pregnancy is epidemic among all races and classes of American youth today.

- In 1984, there were 1.1 million pregnancies to teenagers in this country. Of these, 44 percent (479,647) resulted in births, roughly 40 percent ended in abortion, and an estimated 15 percent ended in miscarriage.
- Of all babies born to teenagers, the proportion that are born out of wedlock is going up, for both blacks and whites. In 1970, 17 percent of the births to white teenagers and 63 percent of the births to black teenagers were out of wedlock, as compared to 46 percent and 90 percent, respectively, in 1985.

Each day,

- o About 2,800 teenage girls become pregnant; 2,300 of the pregnancies are unintended.
- o Teenage mothers give birth to 1,300 babies. Eight hundred of these mothers have not completed high school; 100 have not completed even the ninth grade.
- o Twenty-six 13- and 14-year-olds and 460 girls between the ages of 15 and 17 have their first child; 13 16-year-olds have their second child.

International data reveal that the United States leads nearly all developed nations in rates of teenage pregnancy, abortion, and child-bearing, even though U.S. rates of sexual activity are roughly comparable to the rates in other developed nations.

- o Each year, 1 American teenager in 10 becomes pregnant, compared with fewer than 1 in 20 in England, France, or Canada and 1 in 30 in Sweden.
- o The U.S. ranking is not due only to the high rates of pregnancy and parenthood among minority teenagers. Pregnancy rates among white American teenagers are twice the rates in other industrialized nations.

Teenage pregnancy is costly for teenagers, for their babies, and for society.

- o Forty percent of teenage girls who drop out of school do so because of pregnancy or marriage. Only half of the teenagers who become parents before age 18 graduate from high school.
- o The lifetime earnings of a woman who became a parent while she was a teenager are half those of a woman who waits until age 20 to have her first child.
- o Teenage mothers are twice as likely to be poor as non-teen mothers.
- o Medicaid pays for 30 percent of all hospital deliveries involving pregnant teenagers.

Of the teenage girls who had babies in 1984, the majority (324,912 of 479,647) were white. Poor and minority teenagers, however, have a disproportionately large share of teenage births and are disproportionately affected by the social and economic consequences of early parenthood.

- o A black teenager is twice as likely to become pregnant as a white teenager. A black teenager is five times as likely as a white teenager to become an unwed parent.
- o The differences between minority and nonminority teenage birth rates is closely, although not completely, correlated to higher poverty rates among black teenagers and higher abortion rates among white teenagers. Six out of ten of the babies born to teenagers are born to teenagers in nonpoor families, but poor teenagers are two and a half times more likely to become teenage parents than are nonpoor teenagers.
- o Black teenagers are having fewer rather than more babies: 172,000 births in 1970, 137,000 in 1983. The proportion of black women under 20 who have given birth has been falling steadily since the early 1970s and will probably reach the level of the 1940s before the end of the decade.
- o The birth rate for unmarried black teenagers is going down, although it remains much higher than that of white teenagers. In 1970, there were 96.9 births per thousand unmarried black women aged 15-19; in 1980 the figure dropped to 89.2, and in 1983 to 86.4.

- For unmarried white teenagers, birth rates increased by more than two-thirds from 1970 to 1983. In 1970 there were 10.0 births per thousand unmarried white women aged 15-19; in 1983 the figure was 18.5--an increase of 85 percent.

Teenagers with poor basic skills are far more likely to become parents at an early age than are teenagers with average or above average academic skills. Teenagers with similar family incomes and basic skills levels--whether white, black, or Hispanic--have nearly identical rates of teenage childbearing.

- Eighteen- and 19-year-old women with poor basic skills are 2.5 times as likely to be mothers as are 18- and 19-year-old women with average basic skills. Teenagers with poor basic skills are five times as likely to become mothers before age 16 as are teenagers with average basic skills.

- Eighteen- and 19-year-old men with poor basic skills are three times as likely to be fathers as are 18- and 19-year-old men with average basic skills.

- Almost all racial differences in the incidence of teenage parenthood disappear when income and skills deficits are taken into account:

  -- one in five poor teenage women with lower than average basic skills is a mother, regardless of race.

  -- poor white teenager women with lower than average basic skills are six and one-half times as likely to be teenage mothers as are white teenage women above poverty with solid skills.

<u>What's Needed</u>

Reducing teenage pregnancy rates will require a two-pronged prevention strategy. We must

- develop targeted efforts to improve the life options of disadvantaged teenagers by improving their basic academic skills and giving them better access to education, training, and job opportunities. These would include starting to assist at-risk youth early by improving and expanding the funding for Head Start, for after-school programs for the Chapter 1 Compensatory Education program, and for dropout prevention efforts.

- undertake a national effort to

  -- increase all children's and teenagers' access to timely and accurate information and counseling (including counseling to postpone sexual activity) that would be provided by the teenagers' families, schools, and community-based family life and sexuality education programs; and

  -- increase teenagers' access to appropriate comprehensive health services (in or near schools, housing projects, and community centers).

<u>Head Start</u>

The importance of early education for young children has been recognized by more and more American parents and educators, but low-income children will not participate in preschool programs without help.

- Two-thirds of all four-year-olds and 54 percent of all three-year-olds in families with annual incomes of $35,000 or more participate in preschool programs. In contrast, children who are less well off are less than half as likely to receive any preschool education. Fewer than 33 percent of all four-year-olds and 17 percent of all three-year-olds in families with annual incomes under $10,000 were enrolled in such programs in 1985.

Head Start is the federal government's attempt to provide early childhood services to the neediest three- to five-year-old children.

- Ninety percent of Head Start children are from families that live on incomes below the poverty level ($8,573 for a family of three in 1985).

Head Start is an investment in children that works and pays off in the long run.

A 20-year follow-up study of graduates of a preschool program similar to Head Start found that, compared to peers without this experience, graduates of Head Start or similar programs are

- much more likely to complete high school and go on to vocational or academic training;
- more likely to be self-supporting and less likely to be receiving public assistance;
- less likely to be in trouble with the law, less likely to become teen parents, and more likely to employed.

Despite Head Start's proven effectiveness, the program has never been funded at a level that would allow it to meet the needs of all eligible children.

- Head Start now reaches only about 451,000 of the 2.5 million children who need its services, or about 16 percent of all disadvantaged youngsters. Hundreds of thousands of children are on Head Start waiting lists.

What's Needed

This successful program should be offered to many more eligible children and eventually to every eligible child. By providing Head Start to every poor child three to five years of age (instead of one in six, as we do now), we can reduce each year's costs for special education, repeated grades, delinquency, and other consequences of early failure in school by $10 billion, over and above the additional costs of providing the Head Start slots.

1. For Head Start to double the number of children served during the next five years and to maintain quality, the program must be increased at least $300 million annually.

2. Eventually every eligible child should have access to Head Start or a comparable program, and federal funding to achieve that must be a goal that we will reach by 1992.

Children at Risk of School Failure

Eighty-seven percent of American children from all income groups are educated in the public school system; yet the public schools are failing to educate many, especially those from economically disadvantaged backgrounds.

Too many disadvantaged students fail to acquire needed basic academic skills in elementary school. This is reflected in a recent analysis of the National Longitudal Survey of Young Americans (ages 14 to 21).

- More than half of the 15- to 18-year-olds surveyed with family incomes below poverty have basic skills in the lowest of five skills groups. Poor teenagers are four times as likely to have poor basic skills as are teenagers with family incomes above poverty.
- Among teenagers living in poverty, more than 4 out of 10 white teenagers, more than half of Hispanic teenagers, and more than 6 out of 10 black teenagers fall in the lowest quintile skills group.

Poor basic skills hurt young people and society in the long run.

- o Young people with low basic skills levels are more likely to become teen parents.
  - -- Young women with poor basic skills, whether black, white, or Hispanic, are more than three times as likely to be parents as are those with average or better basic skills.
  - -- Eighteen- and 19-year-old men with poor basic skills are three times as likely to be fathers as are those with average or better basic skills.
- o Youths who by age 18 have the weakest reading and math skills, when compared with youths whose basic skills are above average, are
  - -- eight times more likely to have children out of wedlock;
  - -- seven times more likely to drop out of school before graduating from high school;
  - -- four times more likely to be both out of work and out of school; and
  - -- four times more likely to be forced to turn to public assistance for basic income support.

The federal Chapter 1 compensatory education program supports remedial education programs serving poor children. The main Chapter 1 component gives funds to localities on the basis of the number of poor children, targeting the most educationally disadvantaged (in terms of test scores). Seventy-five percent of the funds are used for basic instructional services, such as remedial instruction in reading and math.

- o Results from many studies indicate that Chapter 1 has helped raise academic achievement levels. In one study, students gained 7 to 12 months in reading and 11 to 12 months in math for every year they participated in the program--a significantly higher gain than they would have achieved otherwise.
- o By helping poor children keep up in school, Chapter 1 saves the cost of grade repetition, which is more than four times as high as that of Chapter 1 services.

Despite its success and cost effectiveness, in real terms, between 1979 and 1985 federal funding for Chapter 1 dropped roughly 29 percent. Chapter 1 served only 54 students for every 100 poor school-age children in 1985, down from 75 in 1980.

- o Preschoolers (3- to 5-year-olds) and middle school students (10- to 14-year-olds) are especially underserved by Chapter 1.

What's Needed

The Chapter 1 program should be extended and expanded by a $500 million increase in funding in each of the next five years. This would fully fund the program, creating the potential to reach all disadvantaged children and thereby help raise basic skills and overall school achievement. By helping all children in school stay at grade level with remedial and compensatory education, we can save the extra costs to schools for children to repeat grades, and by expediting the high school graduation of more than 5 million youths, we can increase their earnings by over $20 billion a year in today's dollars.

School Dropouts

Every year 700,000 students at the ninth-grade level or above drop out of school. Dropping out disproportionately afflicts the poor, including the poor from racial and ethnic minorities.

- For Hispanics, the dropout rate is 26 percent; for blacks, it is 19 percent; and for Native Americans, it reaches 48 percent.

- However, when controlled for poverty, black and white dropout rates are essentially identical: regardless of race, youths from poor families are 3 to 4 times more likely to drop out than are youths from more-affluent households.

The costs of dropping out are high and are shared by all.

- Dropouts are less likely than graduates to have a job: in 1985, only 76 percent of men and 44 percent of women ages 25 to 64 without a high school diploma were employed, whereas 90 percent of men and 63 percent of women with a high school diploma were employed.

- Between 1973 and 1984 the percentage of all male dropouts ages 20 through 24 with earnings above the poverty line for a family of three dropped by nearly half, from 59 percent to 32 percent. Only 4 in 10 white male dropouts, fewer than 3 in 10 Hispanic dropouts, and only 1 in 9 black dropouts earned enough in 1984 to support a family of three.

- A recent estimate of the total lifetime earnings loss by dropouts in the high school class of 1981 is a staggering $228 billion, with an approximate loss of tax revenue of $68.4 billion.

- Dropping out also takes a toll on the next generation. In 1982-83, in families where both parents were high school graduates, only 7 percent of the children were poor. In families in which only one parent was a high school graduate, 20 percent of the children were poor. In families in which neither of the parents was a high school graduate, 39 percent of the children were poor.

<u>What's Needed</u>

1. Steps to improve early education and to provide compensatory education for disadvantaged students are necessary preventive measures to improve basic academic skills and, in turn, reduce the number of school dropouts. Successful programs like Head Start and the Chapter 1 Compensatory Education Program must be expanded and fully funded to provide their services to all eligible youngsters.

- Head Start must be increased at least $300 million annually, in order to double the number of children serviced during the next five years and to maintain quality. By 1992, federal funding should be enough to ensure access to Head Start for every eligible child.

- The Chapter 1 program should be extended and expanded by a $500 million increase in funding in each of the next five years. This would fully fund the program, creating the potential to reach all eligible disadvantaged children.

2. A new initiative is needed to help address the problem of school dropouts by providing $50 million for a new effort to gather uniform, nationwide information and to develop and fund demonstration projects aimed at keeping potential dropouts in school and returning dropouts back to school.

3. The Boston Compact, established in response to the high dropout rates in Boston's public schools, is a collaborative agreement among the school system, businesses, colleges and universities, local trade unions, and other community organizations. In return for measured improvement in the schools, Boston's businesses, postsecondary institutions, and unions agree to ensure the city's graduates the opportunity to secure summer jobs and full-time employment after graduation, continue their education, or receive further skills training. Recently, the National Alliance of Business created a program to assist other cities interested in replicating this kind of collaboration. Efforts such as these should be encouraged and supported.

4. A new revolving loan fund and other assistance should be established by the federal government to help local agencies provide remedial education programs in out-of-school settings. Such funds would supplement those available from the Adult Basic Education program and the Job Training Partnership Act for these operations and allow local and state agencies to purchase curricula, microcomputers, and other teaching aids.

Higher Education

A bachelor's degree, while not a guarantee of employment or success, is almost a precondition for survival in today's job market. For a young worker without a college degree, opportunities to secure a stable job at decent wages have disappeared rapidly, compared with opportunities even a decade ago.

- Job prospects for all teenagers except those who go on to complete college have deteriorated since the late 1970s. Employment rates for recent high school graduates who do not go on to college have dropped from 72 percent in 1979 to 62 percent in 1985.

- In 1986, the average unemployment rate among black high school graduates under 25 was 26.6 percent--more than 1 in every 4. Among black college graduates under 25, the average unemployment rate was 13.2 percent--more than 1 in every 8 (compared with 5.3 percent, or 1 in 20, among young white college graduates).

- In 1973 young male college graduates earned 25 percent more than young male dropouts did; by 1984, young male college graduates were earning nearly twice what young male dropouts were.

- Youths without college education have been hit hardest by earnings losses during the past decade. Within that group, young men in the 20-24 age group who did not finish high school fared worst, suffering a 42 percent drop in real annual earnings in the 1973-84 period. But high school graduates in that age group lost 30 percent, which was roughly three times the slippage in earnings suffered by their peers who graduated from college.

- The difference that college made in earnings was especially dramatic among young black women. Those with no college (dropouts and high school graduates) saw earnings plummet by nearly 40 percent, whereas those with a college degree saw them climb by more than 60 percent.

College attendance rates among poor and minority students have declined significantly in recent years.

- For the poorest students, enrollment rates among college-eligible 18- to 24-year-olds declined between 1978 and 1982. Enrollment rates among youths with annual family incomes of less than $20,000 dropped by 8.6 percent, while enrollment rates of youths with family incomes of less than $10,000 fell 16.8 percent. Among students from wealthier families, enrollment increased during the same period.

- Black students who graduate from high school are now less likely than whites to attend college. Young black and white high school graduates were equally likely to attend college in 1977 (for whites, 51 percent, and for blacks, 50 percent). By 1982, whites were about 45 percent more likely to attend college than blacks (for whites, 52 percent, and for blacks, 36 percent).

- Poverty is the key to low college attendance among blacks. Only 1 poor black high school graduate in 6 attends college. Among whites and blacks living above poverty, more than 1 high school graduate in 3 goes on to college.

Federal grant and loan programs historically have helped economically disadvantaged students attend college and stay in college longer.

- The Pell Grants program provides direct grant aid to low-income students based on need. Federal loan assistance has been available to low- and middle-income students through Guaranteed Student Loans. The College Work Study Program provides federal funds to subsidize jobs for low-income students. The "TRIO" program for disadvantaged students provides supportive services such as counseling and tutoring to low-income students who are the first generation in their families to attend college.

- In 1981, nearly half of black college-bound seniors came from families with annual incomes of less than $12,000, compared to only 10 percent of their white peers.

- Black students who receive financial aid are twice as likely to stay in four-year colleges until graduation as black students who do not receive aid.

- Low-income students served by TRIO programs, such as Upward Bound and others, are more than twice as likely to complete their first year in college and four times as likely to earn a college degree as nonparticipating low-income students.

Despite their effectiveness, these programs have suffered funding cutbacks in the 1980s--at a time of increasing need and rising tuition costs.

- In FY 1986, Pell Grants provided a maximum of $2,100 per poor student--about 20 percent higher than the FY 1980 maximum award of $1,750. Yet tuition in public and private colleges had soared by 75 percent in the same period, according to the American Council of Education.

- Between 1980 and 1986, student aid from all federally supported programs dropped 14 percent. This loss has increased the importance of supplemental grants, college work-study, direct loans, and state student incentive grants in helping needy students meet the cost of college. However, appropriations for these programs declined by 25 percent in constant dollars between fiscal year 1980 and 1986.

- The increased reliance on loans disproportionately affects students from low-income families, many of whom are minorities. Women and minorities traditionally earn less than their white male counterparts once they enter the full-time work force; therefore, the burden of repaying the loans will be heavier on them and may serve as a deterrent to college.

What's Needed

1. The $2,100 maximum grant for the neediest students has not been raised for three years. The value of the Pell Grant eroded 12 percent in constant dolloars from FY 1980 to FY 1987, although the needs of recipients increased. The Pell Grant maximum should be raised.

2. Funding for TRIO programs--Upward Bound, Talent Search, Student Support Services, and Educational Opportunity Centers--that help the most disadvantaged students prepare for and continue in college has been reduced considerably since 1980. Funding for these programs should be increased.

STATEMENT ON
THE "EDUCATIONAL EXCELLENCE AGENDA"

THE NATIONAL DEBATE

This country has experienced numerous periods of education reform. Since Sputnik alone there have been the new math, the new science, and the new social studies. In 1965 the Elementary and Secondary Education Act (ESEA) brought the federal government into what had traditionally been strictly a state and local responsibility. And during the 1970s, education reform meant reform in the financing of school systems, desegregation, and a host of new programs for special student populations (e.g., compensatory, bilingual, and special education). In short (although we easily forget this), some of the most sweeping changes in the schools and certainly in education policy occurred before 1980.

Yet it is also true that throughout the 1980s, education has been squarely on this nation's policy agenda. The year 1983 witnessed a flood of reports arguing for significant reform of the country's elementary and secondary schools. These reports outlined the "excellence in education" movement that began in 1980 and is still in progress.

The "Excellence" Movement: Exclusive or Inclusive Education Policy?

In 1983, everyone seemed to agree that the schools were broken. Where people differed was in deciding precisely what needed to be fixed. Commissions, councils, committees, and task forces were being formed everywhere. Employers complained that entry-level workers lacked basic skills and were not motivated to work. Colleges and universities complained that freshmen could not successfully complete college-level course work. Achievement test scores had declined for students in the public schools, and scores on the SAT or other yardsticks for entering the post-secondary system were also declining. In that atmosphere, the tendency was to blame the student for not working hard enough. After all, these commissions and task forces were predominantly middle-class, middle-aged, male, and white. The schools had "worked" for them, and they were puzzled about why the schools were not working for today's students.

The schools, many people thought, had become "soft." In their zeal to accommodate diversity and choice, schools had abandoned the basics. If kids were not learning, it was because school curricula had been diluted. The push was to reestablish a core curriculum. That core would include more math and science and eliminate electives of questionable value. Many thought that vocational education should no longer be set apart as a separate track but should be addressed through the academic curriculum. Most believed students should be tested more rigorously, and some argued that more students should be held back for not succeeding in school. Implicit in all this was the notion that a core set of competencies, attitudes, and values should prevail in schools and that public educators needed to get back to this core.

Other critics of the schools pointed to a serious decline in the quality of teachers and teaching. The absence of incentives and rewards for high performance was held up as the principal culprit. It was acknowledged that low pay and poor working conditions contributed to the problem. The prospects for turning this problem around were complicated by the scarce supply of able candidates for teaching careers. The average college entrance scores of prospective teachers were (and still are) well below the averages for prospective members of other professions (medicine, law, engineering, business, etc.).

Some reformers eventually challenged even the conventional wisdom on the structure and management of schools. Within a given school day, they argued, too little time was being spent on instruction. They called for greater flexibility in the scheduling of classes. Nor was the school year long enough to get the job done. U.S. students were said to be unable to compete with the Japanese, who spend over 200 days in school each year.

So the debate as crystallized by the "excellence" movement has been about holding "the system" accountable. That means more courses in the basics, more time devoted to instruction, and higher

requirements for graduation. It means testing students more frequently. It also means asking teachers to take tests in basic skills and in their subject areas, and in a number of states it means linking some portion of teachers' compensation to performance. The tone is individualistic and exclusive. Excellence is rewarded. The average teacher and student are not.

THE POLICY RESPONSE ON THE STATE LEVEL

The nature of the state-level policy response tracks well with the national debate. To raise the standards to which students are held, virtually every state during the past five years has increased its high school graduation requirements in some way. The common changes have been to require more math and science. Some states have added computer literacy and stronger foreign langauge requirements to this mix. To strengthen the quality of the teaching profession, most states have substantially increased teachers' salaries, and a few states have introduced either compensation plans that reward high performance, or career ladder programs, or both. (More commonly, states have provided incentives for local school districts to develop or expand their own programs.) States have shown greater awareness of the need for staff development, and a number of states have provided time and resources for teacher in-service training and academies for school administrators. The school day or year has been extended for students, teachers, or both in nearly a third of the states.

In at least two areas, the state response to the "excellence" debate raises issues that concern black elected and appointed officials. One area is the impact of higher standards on disadvantaged students, a high percentage of whom are black. The other area is the approach most commonly taken to "strengthen" the quality of the teaching profession.

In principle, no one argues with the need for high standards for students. Yet, the criticism has been made that raising standards in itself does little to improve the achievement of students or its equivalent, the productivity of schools.

What we might like to have seen is new standards complemented by strategies to improve schools. Unfortunately, only a handful of the states that have raised standards have also initiated steps to improve schools--steps such as providing state funding for remedial programs, for smaller classes, for additional instructional materials, or for additional professional support in classrooms. Some states and localities may have been assuming that the federal support currently available through Chapters I or II of the Elementary and Secondary Education Improvement Act is adequate to the task, but that assumption is mistaken. First, these initiatives have been declining in real dollar terms for at least five years. Second, the "reach" of these resources has never matched the task. States and localities have always had to supplement federal aid to serve the eligible populations, and they will still have to do so if they want to improve the schools enough to raise standards. In most of the states that have increased their graduation requirements, the first groups of students directly affected by the new standards will be the graduating classes of 1988 and 1989. Thus, the concern felt back in 1983 and 1984 that blacks and other minority students might suffer as a result of new standards is something we should begin to know a little about relatively soon. At least, we will know how well students perform in different subject areas and what the graduation rates are (which is important to those who consider the dropout rate a good measure of the impact of the new standards). So for the black high school graduating classes of the late 1980s and early 1990s, we should be closely watching these and other indicators of student performance to see what difference the early reforms are making. Inasmuch as higher standards for graduation might have an adverse impact on black youths, we will want to be sure that the states' new education standards are linked in some way to programmatic efforts to help all students meet them.

In the other major area on which reform efforts are focused--teachers--the predominant strategy has been to develop tougher certification requirements and to impose competency tests on both entering and practicing teachers. Some states have introduced incentives to attract and retain "high quality" people in the profession, using such mechanisms as loan-forgiveness programs, increased student aid, or career ladder initiatives designed to give state and local salary schedules a steeper slope.

As with raising standards for students, however, some concern has been expressed about the impact of these strategies. It has been argued that the new standards may do little more than affect the traits of people in teaching. That is, future teachers would possess higher grade point averages and test scores, but they might also be less diverse ethnically, racially, and socioeconomically. In fact, national data suggest that just when more minority youngsters are entering the public schools, fewer and fewer minority teaching candidates are likely to be available. It stands to reason that policymakers should ask for information about the current demographics of the teaching profession in their own states and localities, should monitor developments in the teacher workforce, and should see to it that minority teachers are actively recruited.

BEYOND THE "EXCELLENCE" MOVEMENT

With all the attention the so-called excellence movement has received, other issues are important in addition to the central theme of making schools (the students they serve and the people who work in them) more accountable. At the very least, we need to be much more specific than the excellence agenda generally is about the strategies that will make a difference in improving schools. For instance, we need to be concerned with specific ways of closing the gap in achievement between blacks and whites. The High School and Beyond data set, which provides information about academic achievement and socioeconomic background for a representative sample of high school seniors in 1980, gives us grounds for believing that something more than a simple reading of socioeconomic factors is required to understand the relative underachievement of blacks and Hispanics. We have to ask how well these students have been served by the public schools. We can assume that simply raising standards will not be adequate to closing the achievement gap. Research suggests some of the strategies that do make a difference. Moving beyond the excellence agenda means finding ways to translate research results into practice.

Of course, if the issue is how well prepared black students are for college, then data sets such as the Scholastic Aptitude Test (SAT), with all their limitations, provide even more troubling information. On the basis of simple average scores and proportions of students taking the test, black students are clearly at risk, if for no other reason than that the exam continues to be a factor in college admission in many of the nation's post-secondary schools.

We also need to be concerned about the alarming numbers of black youths who never even finish high school, at least not in the time frame expected of them. The media generally use a figure of about 28 percent in discussing the problem nationwide. We know that in this country's central cities, the school non-completion rate is nearly twice that figure, and we know that the overwhelming majority of these students are black. Again, raising standards will not help students who either cannot or will not make the effort to meet the standards already in force. Here again, multiple strategies are likely to be needed to help these students.

Fortunately, the education policy community is now dealing with a new set of reports that place a different twist on the term "school improvement." These reports differ in tone from their predecessors (they are less individualistic and elitist) and suggest new strategies for improving what happens in the classroom. By and large, these reports address more complex issues, including some important aspects of schooling that were overlooked earlier.

For example, previous reports had paid little attention to the 28 percent of students who drop out of school each year. Reformers now acknowledge that schools must make special efforts to help these students achieve in school. And whereas the early reports stressed that teachers had to improve, the more recent reports point to schools of education as the locus of change. Schools of education need to be more closely linked to the primary and secondary schools, and teachers need to be educated differently. In other words, improving the ranks of teachers means more than doing a better job of recruiting.

One of the new reports, A Nation Prepared: Teachers for the 21st Century, is drawing considerable attention in the education policy community, and we can expect it to influence discussions of state and

national education policy over the next three to five years. It places itself in the tradition of earlier reports in that it links the need for better education to economic issues. And it holds that if students are to perform at higher levels, a profession of well-educated teachers will be needed to make that happen. Finally, the task force calls for sweeping changes in education policy. The changes include

- creating a National Board for Professional Teaching Standards to determine what teachers need to know and be able to do;
- restructuring schools to provide a professional environment for teaching, allowing teachers to decide how to meet goals for children;
- restructuring the teaching force and introducing "lead teachers" with the ability to help redesign the schools they work in and to help their colleagues meet higher standards;
- developing a new professional curriculum in graduate schools of education that would lead to a Master in Teaching degree;
- mobilizing the nation's resources to prepare minority youngsters for teaching careers; and
- making teachers' salaries and career opportunities competitive with those in other professions.

Although the bulk of the report deals with changes in the teaching profession, many people agree that the recommendations made in the report are based on the following set of assumptions:

- Critical thinking, often referred to as "higher-order thinking skills," should be the focus of initiatives to reform education.
- This means reconceptualizing curricula and pedagogy in ways that focus instruction on higher-order thinking skills.
- The current teacher workforce will need to be retrained to be effective in teaching students to be analytic and to think conceptually; and the way prospective teachers are trained must also be reformed.
- Shifting what students are to learn from basic skills to higher-order skills means that new methods of assessing student skills will have to be developed. Standardized tests will become less important in gauging the productivity of schools.
- Developing new curricula, retraining teachers, restructuring the teaching profession, rearranging instructional delivery systems, and developing new tools to measure student skills require steady infusions of money into the educational system.

This is a very different reform agenda from the "excellence" agenda. The "excellence" agenda has been concerned with students' attainment of basic skills. It has focused on the norms for teacher competencies and has viewed the problem of teacher quality largely in terms of supply and demand. Standardized tests have been the principal means of defining the problem and the preferred tool for assessing its solutions. Finally, the underlying assumption has been that higher standards and greater accountability, not money, are at the root of the problem.

Of course, the question remains: what does the new "restructuring" agenda offer in terms of keeping minority students in school until graduation and closing the achievement gap between white and non-white students?

WHAT NEEDS TO BE DONE?

Both approaches--the "excellence" movement and the new emphasis on "restructuring" schools and the teaching profession to teach higher-level skills--have merit. Both have kept the nation's business and political leaders focused on education, and each has important contributions to make to the quality of schools. Although it would be easy to dismiss these "movements" out of hand as too simplisitic or irrelevant to the problems facing the black community, that might be irresponsible.

Regarding the "excellence" movement, no one wants one set of standards for black students and another set for Asians, Hispanics, Native Americans, or whites. Nor should our concern about the impact of new standards for teachers be construed to mean that minority teachers should be held up to different requirements from those that other teachers are held up to.

The new emphasis on restructured schools and higher-level thinking holds even greater potential for improving the educational experiences of black youths, assuming the "thinking" we are talking about will be equally distributed among different groups of students. The rhetoric, if not the substance, of restructuring schools is already catching fire in many state capitals and is being pushed in state legislatures, state boards of education, and--increasingly--at the local level. The greatest danger is that we will let the debate about school restructuring and the substantive issues associated with it (such as teacher and student competencies, priorities for the allocation of new resources for the schools, and the measures of accountability used to gauge success) proceed without input from the black community.

But even with the promise of the restructuring agenda for improving the educational experiences of blacks, the "excellence" movement, for all its shortcomings, is still relevant. However, much depends on how clearly reformers understand the circumstances, needs, and interests of blacks. And this is where leadership from elected and appointed officials is critical.

STATEMENT ON CIVIL RIGHTS

I. BACKGROUND

The black community is greatly concerned about the erosion of civil rights enforcement in the areas of education, housing, employment, and voting, and about appointments to the judiciary. Supreme Court Justice Thurgood Marshall, in a recent interview, expressed this concern when he said that President Reagan has been the worst president on civil rights since Woodrow Wilson. For the past seven years, administration officials have been constantly attacking, or simply not enforcing, the gains made during the 1960s and 1970s. Although the attacks have not always been successful in the courts, many people believe they have contributed to the climate of racial hostility exemplified by the Howard Beach and Forsythe County episodes and have affected public perceptions of the usefulness and desirability of traditional remedies for civil rights enforcement. Moreover, the administration's lack of enforcement means that remaining unlawful patterns of racial discrimination in our society have gone unredressed, thus reinforcing the political, educational, and socioeconomic isolation of black people in our society.

Education

Public Schools. According to a July 1987 report prepared by Gary Orfield for the Joint Center and entitled School Segregation in the 1980s, the segregation of black students in American public schools remains a major problem. Orfield found that 63.5 percent of black pupils attend predominantly segregated schools (schools 90 to 100 percent black). Numerous studies have linked racial segregation in education with effects on blacks that include low scores on standardized tests, high dropout rates, polarized racial attitudes, low levels of self-esteem, and lack of mobility in education and employment.

Racial segregation in public schools continues to exist despite very broad support across the spectrum of American public opinion for the general idea of integration in education. More specifically, public support for busing as a remedy for public school segregation has substantially increased, and the majority of families that have experienced busing and the majority of young adults generally express support for busing.

In the late 1960s the Supreme Court condemned voluntary, "freedom-of-choice" school desegregation plans as ineffective, and in the early 1970s the Court endorsed mandatory pupil assignment plans and busing, where necessary, as constitutionally permissible remedies. Nevertheless, the current administration has repeatedly expressed its hostility to these measures. Instead, the administration has urged the courts to favor so-called voluntary desegregation plans and "magnet school" plans that closely resemble the inadequate "freedom-of-choice" plans disallowed by the Supreme Court in the late 1960s. The administration's refusal to accept mandatory school desegregation remedies, even as a last resort, is nothing more than a return to "separate but equal."

Currently, a danger of backsliding exists even in school districts that have successfully integrated their schools with mandatory pupil assignment plans and busing. A number of these school districts are seeking to return to "neighborhood schools," even though the effect of this change would be to resegregate white and black students. In the Riddick v. School Board of Norfolk case, the Justice Department successfully persuaded the U.S. Court of Appeals for the Fourth Circuit to permit the school district to eliminate busing in the elementary schools, even though this meant that a majority of students were returned to resegregated elementary schools. A number of districts have expressed interest in following the precedent of the Norfolk case.

Colleges and Universities. In 1984 the Justice Department successfully persuaded the Supreme Court in the Grove City College case to limit the enforcement of federal antidiscrimination laws in the nation's colleges and universities to the specific programs and activities receiving federal funds. The administration then interpreted the Grove City decision as limiting its enforcement powers not only under the racial discrimination prohibitions of Title VI of the Civil Rights Act of 1964 but also under the sex, handicap, and age discrimination prohibitions of Title IX, Section 504, and the Age Discrimination Act. These provisions cover not only colleges and universities, but all institutions

receiving federal money. The administration has also refused to support efforts in Congress to overrule Grove City and to adopt a new statute broadening the coverage of the antidiscrimination requirements to prohibit any discrimination by institutions that receive federal funds.

Housing

According to HUD estimates, there are about two million instances each year of racial discrimination in housing. Discrimination in the sale or rental of housing contributes to residential and public school segregation and often forces minorities to live in substandard or less-than-desirable living conditions.

Under the current administration, Justice Department enforcement of the Fair Housing Act has declined precipitously from a previous average of about 30 new cases a year to about 10 new cases a year. In at least 5 cases, the administration has devoted its resources (a) to voiding agreements obtained in private litigation that granted racial preferences for blacks on waiting lists and (b) to attacking agreements among private parties to maintain an agreed-upon level of integration in apartment complexes and public housing.

Despite the enormity of the problem of housing discrimination in America and the demonstrated inability of the courts to remedy the problem through litigation, the administration has vigorously opposed efforts in Congress to adopt new legislation that would allow HUD discrimination complaints to be referred to administrative law judges for administrative hearings.

Employment

In numerous cases the courts have found that racial discrimination in private and public employment remains a major problem. Employment discrimination contributes to an unemployment rate among blacks that is twice that of whites; to joblessness rates among young in the 12-month period July 1, 1976, to June 30, 1977, to only 48 new cases for the corresponding 12-month period in 1986-87. Part of this decline may be attributable to the Equal Employment Opportunity Commission's (EEOC) policy of not investigating and not making discrimination findings in across-the-board pattern-and-practice cases. But the decline is also related to (a) the enormous out-of-pocket expenses of successful prosecution of a class-action employment discrimination case--the cost for a medium-sized case, through trial, runs from $50,000 to $100,000--and to (b) reduced court awards of attorneys' fees for the lawyers of the successful plaintiffs (in particular, court decisions have eliminated increases in the base award that would compensate private attorneys for the risk of not being paid if the case is lost).

Voting

The Joint Center's successive editions of the National Roster of Black Elected Officials show that the number of black elected officials nationwide has grown steadily each year, from 1,860 in 1971 to 6,681 in 1987. Nevertheless, although black people make up 11 percent of the country's total population, the latest (1987) Roster shows that black elected officials constitute only 1.5 percent of all elected officials. Numerous studies have linked persistent black underrepresentation at the state, county, and local levels with racially discriminatory electoral structures, such as at-large elections and election district lines that have been racially gerrymandered. Further, many states continue to restrict the places and times for voter registration and to limit the appointment of deputy registrars. Both those practices have a discriminatory impact on potential black voters and depress black voter registration rates.

The current administration has resisted efforts to eliminate the remaining barriers to equality of political participation and, in both litigation and administrative proceedings under the Voting Rights Act, has failed even to enforce the existing statutory voting rights protections. When Congress was considering amending the Voting Rights Act in 1982 to eliminate the requirement of proving discriminatory intent, the administration vigorously but unsuccessfully opposed abolishing the intent requirement. Then in 1986, when the first case involving the 1982 amendments to the Voting Rights

Act--Thornburg v. Gingles--reached the Supreme Court, the Justice Department filed a brief in opposition to the claims of black voters, which were sustained by the Supreme Court, and in support of the State of North Carolina, which unsuccessfully sought to retain discriminatory at-large voting in state legislative elections.

For a year-and-a-half after the 1982 amendments to the Voting Rights Act were passed, the Justice Department failed to file any new lawsuits to enforce them. In addition, the administration has claimed credit for court victories which were in fact achieved by private litigants; and, to an unprecedented extent, under Section 5 of the Voting Rights Act the Justice Department has administratively approved discriminatory voting law changes that were subsequently struck down by federal courts as violations of the Voting Rights Act.

The United States currently has the lowest voter participation rate of any of the industrialized democracies (except Switzerland): typically only 52 percent of those eligible to register and vote participate in American elections. This low rate is the direct result of restrictive voter registration procedures (such as limiting where and when citizens may register and limiting the appointment of deputy registrars) that have a particularly discriminatory impact on black and other minority citizens. Little effort has been made by this administration to eliminate these restrictions on voter registration.

Judicial Appointments

The appointment of blacks to judicial positions reaffirms the principle of equality and shows a concern to have all branches of government be sensitive to the needs of black citizens. Conversely, the exclusion of blacks from judicial appointments expresses disregard for the principle of equality and a lack of concern for the needs of black citizens.

During the Nixon, Ford, and Carter administrations, significant gains were made in the appointment of blacks to the federal judiciary. The high point was reached during the Carter administration, when 14.3 percent of the judicial vacancies on the federal courts of appeals and district courts were filled with blacks (16.1 percent--9 out of 56--on the courts of appeals and 13.9 percent--28 out of 202--on the district courts).

In contrast, the Reagan administration has the worst record on appointing blacks to federal judgeships since the Eisenhower administration. Through the end of 1986, the Reagan administration had appointed 287 federal court of appeals and district court judges, and only 5 (1.7 percent) were black. Analyses of the judicial performance of all Reagan appointees indicate that they are more conservative than appointees of prior administrations and that they decide against civil rights and civil liberties claims at a higher rate.

II. POLICY OPTIONS

Some writers have contended that continuing the battle for civil rights progress is futile and counter-productive; that economic forces play a greater role in maintaining inequality than racial discrimination does; and that continuing to press for remedies such as busing, racial preferences, quotas, black-majority election districts, and the like is self-defeating in that it merely triggers a white backlash.

These criticisms tend to overlook and negate

- the tremendous extent to which large groups of black people have benefited from enforcement of our civil rights laws,

- the civil rights consensus that exists in our society, as symbolized by the Senate's rejection of the Bork nomination, and

- o the continued commitment of Congress and the courts to providing effective remedies when statutory violations have been shown.

Although more than 20 years of implementing the civil rights statutes have not achieved parity for blacks, the advances that have been made cannot be denied.

Since 1964, 1965, and 1968, when the major civil rights statutes were enacted, the courts have been increasingly relied on to safeguard and protect the civil rights of black Americans. To some extent, this is necessary and inevitable; courts have served as the heatshield for implementation of some of the more controversial civil rights remedies. But the changing nature of the Supreme Court and the prospect of new, more conservative appointments to the federal judiciary as a whole have heightened concerns about the need to focus on stronger legislative remedies, particularly in an era of lax enforcement and sometimes overt belligerence on the part of the administration.

It is to be hoped that this opposition to civil rights will not last much longer and that the administration that takes office in January 1989, Democratic or Republican, will display a greater sensitivity on most of these issues. The 1988 presidential campaign provides citizens with new opportunities to gain commitments for vigorous civil rights enforcement from the presidential candidates.

III. POLICY RECOMMENDATIONS

1. In his report for the Joint Center, Gary Orfield found that despite the executive branch's heated and determined attacks on policies for desegregating the public schools, the desegregation patterns established by the early 1970s had not significantly changed. Overall, the dismantling of much of the de jure school segregation had been preserved and consolidated. New court decrees had not generally led to much movement forward or backward, although during President Reagan's second term the first major decisions permitting resegregation on a large scale took effect in Norfolk and a few other cities. Given continued broad public support for integration in education, there is no need for significant retrenchment on the issue of desegregated education, and efforts to achieve greater school integration should be redoubled.

In particular, however, Orfield found clear signs that children who grow up in inner-city ghettoes are increasingly cut off from any contact with mainstream society. Whatever may be the roots of the "urban underclass," it is certainly true that its children go to schools that are almost totally segregated by race and class and have no viable access to higher education or employment. It may well be that children who are socialized and educated in these underclass schools are even more comprehensively isolated from mainstream middle-class society than were the black schoolchildren in the South whose problems led to the long battle over segregated education in Dixie. Serious attention must therefore be given to the continued existence of segregated education in these underclass schools; and for large metropolitan areas with large inner-city ghettoes, the entire issue of desegregation remedies--including metropolitan and city-suburban desegregation plans--must be revisited.

2. The Supreme Court's Grove City decision has seriously curtailed comprehensive federal administrative enforcement of federal antidiscrimination laws, which had been so effective in the past. The consequence now is that colleges, universities, and other institutions that receive federal financial assistance are free to violate the nation's antidiscrimination laws without risk of sanctions from federal agencies, so long as the specific federally funded activities are not implicated. This situation is intolerable and should be remedied by legislation. Congress should enact the proposed Civil Rights Restoration Act to overrule the Supreme Court's Grove City College decision.

3. The number of estimated instances of housing discrimination nationwide far outstrips the capacity of the courts and private litigants to adjudicate violations and to provide judicial remedies. The enforcement records of state antidiscrimination agencies, where they exist, are spotty. The federal government, having established the right of citizens to be free of racial discrimination in housing, has an obligation to provide an effective enforcement mechanism that meets the need. The issue of administrative enforcement outside the courts--including HUD administrative enforcement or referral of

HUD discrimination complaints to administrative law judges for administrative hearings, or both--should be revisited. Congress should enact amendments to the Fair Housing Act to provide an administrative remedy for racial discrimination in housing.

4. The primary responsibility for seeking effective affirmative relief in across-the-board employment discrimination cases shifts to private litigants, now that the Justice Department has abdicated its responsibility and the EEOC has retreated. But the number of privately filed class-action job-discrimination cases is rapidly diminishing, to a significant extent because of judicial hostility to full and adequate compensation to prevailing attorneys in private cases. Sustained efforts must be made to reinvigorate private job-discrimination litigation and to create sufficient monetary incentives to attract a greater number of competent counsel to this area of litigation.

Congress should enact legislation to support additional private bar involvement in civil rights enforcement litigation. This legislation should include

- o a new private bar assistance program with two components:
  - -- a training program for private attorneys in handling class action civil rights litigation, and
  - -- a "no recourse" loan program to pay out-of-pocket litigation expenses;
- o provisions for compensatory and punitive damages for racial discrimination in employment; and
- o amendments to existing civil rights attorneys' fee statutes to provide for
  - -- increases in the base fee award for (a) quality of work, (b) results obtained, (c) the risk of not prevailing, and (d) delay in payment, and
  - -- recovery of all out-of-pocket expenses incurred in litigation, including expert witness costs.

5. Despite administration efforts to undermine the 1982 amendments to Section 2 of the Voting Rights Act, those amendments have proven to be an extremely effective tool for eliminating structural barriers to equality of political participation. Since 1982, more than 1,300 state and local governing bodies have changed their methods of electing officials, in substantial part as a result of Voting Rights Act litigation and the threat of litigation. The victory of black voters in Thornburg v. Gingles has spurred voting rights litigants to explore new areas for litigation, including

- o enhanced enforcement of the Gingles ruling in the South and Southwest,
- o new challenges to discriminatory electoral structures in northern and western cities,
- o new challenges to discriminatory at-large voting for state court judges, and
- o new challenges to discriminatory voter registration procedures.

These new initiatives in the voting rights area should be supported and encouraged.

6. This country's 52 percent electoral participation rate should no longer be tolerated. Sustained efforts should be undertaken at the national and local levels to work toward the goals of universal voter registration and electoral participation above the 90 percent level. Renewed consideration should be given to eliminating the restrictive and outmoded practices that restrict access to the voter registration process. Congress has the constitutional authority to provide for increased access to voter registration for federal elections and to provide incentives for states to increase voter registration for state and local elections. Congress should enact legislation making it easier to register to vote, including provisions for

- o voter registration by mail,

- o voter registration on election day, and

- o voter registration through federal and state agencies serving the public.

7. The current pattern of systematically excluding blacks from federal judicial appointments and increasingly appointing strong conservatives threatens to result in a federal judiciary that is insensitive to civil rights enforcement. This poses a long-term threat to the continued viability of the gains made in Congress and the courts over the past 25 years. Firm commitments should be obtained from the 1988 presidential and senatorial candidates not to continue this pattern.

STATEMENT ON INCOME AND THE BLACK AGED

I. INTRODUCTION

The National Caucus and Center on Black Aged (NCBA), the House Committee on Aging, and the Congressional Black Caucus (CBC) collaborated in 1986 to conduct the most comprehensive analysis of the status of aged blacks in the United States. Eleven members of the CBC and several members of the House Committee chaired six issue forums held by the NCBA and three field hearings held by the House Committee, in eight different major cities throughout our nation. More than 100 witnesses--senior citizens, program administrators, respected leaders in the field of aging, government officials, and others--testified.

The message of the witnesses was brief but blunt. Among the elderly, blacks are the poorest of the poor. Among no other major racial or ethnic group--not among Native Americans, not among Hispanics, and not among Pacific Islanders or Asians--do the elderly have as high a poverty rate as they do among blacks. Many people know in a general way that the quality of life is significantly lower for older blacks than for the other groups in our society. But they are often surprised--and sometimes shocked--by the degree of deprivation among aged blacks. By virtually any standard of measurement, the quality of life for elderly blacks is below that for most other older Americans.

Under the Census Bureau definition, older Americans were considered poor in 1986 if their annual income was below $5,255 ($6,630 for an elderly couple). This translates to only $101 per week ($128 for a couple) to pay for housing, food, medical care, transportation, clothing, and other everyday necessities. In 1986, 31.0 percent of all blacks 65 years or older lived in poverty, compared with 10.7 percent for aged whites. In other words, older blacks are nearly three times as likely to be poor as elderly whites. Overall, 722,000 elderly blacks were poor.

In addition, nearly 900,000 older blacks are teetering on the edge of economic destitution and are considered "economically vulnerable." Essentially, this means that their incomes are between the poverty line and twice that threshold. Older Americans are categorized as "economically vulnerable" if their annual income is between $5,255 and $10,510 (between $6,630 and $13,260 for an aged couple). The death of a spouse, a sudden loss of income, or some other event could plunge them into the ranks of the impoverished. In 1986, 7 out of 10 elderly blacks (68.9 percent) were either poor or economically vulnerable.

The situation is especially precarious for older black women who are single and living by themselves or with nonrelatives. They are clearly one of the most economically deprived groups in our society today. About seven out of eight (87.9 percent) of those women were either poor or economically vulnerable in 1985.

The economic plight of older blacks has been documented thoroughly, clearly, and powerfully by an NCBA report prepared for the House Committee on Aging in 1987 and entitled "The Status of the Black Elderly in the United States." According to that report, the number one dilemma for older blacks is inadequate income in retirement. No other crisis looms as large as that one, which already affects many aged blacks and threatens to engulf many others. Inadequate income is one of the root causes of virtually every problem confronting elderly blacks, whether it be poor health, inappropriate diet, dilapidated housing, or other living conditions. Congressman George W. Crockett, Jr. (D-MI) perhaps summed up the problem most succinctly and effectively when he said,

> In short, nearly every aspect of older blacks' lives is different from the average situation of older whites because older blacks do not have as much money.
>
> If we are to do anything in the long term to improve the living conditions of older blacks, to improve their health, their incomes, their safety, we must change the dismal statistics of their income, and those statistics are dismal.

Elderly blacks have been mired for far too long in an economic quagmire. Now it is time for our nation to confront the retirement income crisis that affects hundreds of thousands of aged blacks and do something concrete about this cancer in our society.

Because the overriding concern of aged blacks is inadequate income, NCBA has made the abolition of poverty for all older Americans its top priority. In fact, the NCBA Board of Directors unanimously approved a resolution on December 6, 1986, to make a long-range commitment to work for the abolition of poverty among aged blacks and other low-income elderly persons. In addition, the NCBA board called upon its chapters to commit their full resources and attention to attaining this goal.

Experts generally agree that strengthening the Supplemental Security Income (SSI) program is probably the most cost-effective way to improve the economic well-being of low-income older Americans. One key reason is that SSI is a means-tested program targeted at elderly, blind, or disabled people with the greatest need. And SSI is particularly important for blacks: the proportion of blacks among all aged SSI recipients is nearly three times the proportion of blacks in the total 65-plus population (21 percent and 8 percent, respectively).

II. SUPPLEMENTAL SECURITY INCOME

Background

Congress enacted the Supplemental Security Income program in 1972 to build a federal floor under the incomes of aged (65 years or older), blind, or disabled persons. SSI became fully operational in 1974. To qualify for SSI, individuals must generally have low incomes and limited resources (less than $1,800 in countable assets for an individual and less than $2,700 for a couple in 1987) and must meet other requirements.

For an eligible individual with no countable income, the regular federal SSI benefit standard--the maximum federal monthly benefit--is $340 a month ($510 for a couple) in 1987. As a practical matter, however, most SSI recipients receive less than the maximum because they normally have some countable income (e.g., Social Security, interest income, dividends, or earnings). For aised the size of an estate that could be exempt from tax from $175,000 in 1981 to $600,000 in 1987. As a practical matter, because various other benefits are available to the well-to-do, an estate can be well above the $600,000 threshold and escape tax completely. Moreover, estate tax rates were lowered and the top tax rate was reduced by 29 percent. ERTA left the tax treatment of capital gains at death unchanged. Experts have estimated that the 1981 changes in the estate tax law will reduce revenues for the federal treasury by $10.1 billion in fiscal year 1989.

Table 2 lists the substantial amounts of revenue that could be raised if some of the generous tax breaks for the very affluent were recaptured.

State Supplemental Payments. Another option for reducing poverty among the older Americans (including blacks) who have low incomes is to increase state supplemental payments. Currently, 26 states and the District of Columbia supplement the federal SSI benefit; approximately 46 percent of SSI recipients receive state supplementation. State supplemental payments tend to be modest; some are as low as $2 a month. In fact, in only four states (Alaska, California, Connecticut, and Massachusetts) is the combination of the state supplemental payment and the federal benefit large enough to lift elderly people out of poverty. The Urban Institute reports that "the average real value of state supplements has eroded significantly since 1974 because supplements are not indexed for price inflation."

Improving Participation Rates. Approximately 3.5 million people 65 or older were poor in 1986, according to the Census Bureau definition of poor. However, only about 2.0 million aged people (if disabled 65-plus people are counted) receive SSI benefits. The reasons for the comparatively low participation rate of the elderly include the following:

- The SSI income standards are below the poverty line. Thus, some of the aged may be poor but, at the same time, "too rich" for SSI.
- Numerous low-income elderly individuals simply do not know about SSI or have incomplete or inaccurate information about participation requirements.
- The low countable resource limitation ($1,800 in 1987 for qualifying individuals and $2,700 for eligible couples) may disqualify people who would otherwise be eligible.
- Some older Americans are deterred from applying for SSI because of the welfare stigma associated with the program.

Table 2 Potential Revenue From Proposed Changes in Estate Tax Law (In Millions of Dollars)

Proposal	FY 1988	FY 1989	FY 1990	3-Year Total
Reduce from $600,000 to $400,000 the amount of estate not subject to federal estate tax	1,770	1,832	1,887	5,489
Retain current maximum estate tax rate of 55 percent rather than allow drop to 50 percent	582	600	620	1,802
Both reduce the exemption to $400,000 and keep the present 55 percent rate	1,947	2,015	2,076	6,038
Tax capital gains at death	--	4,900	5,300	10,200

Source: Villers Advocacy Associates.

Several options exist for increasing the SSI participation of the elderly poor. For example, government agencies such as the Social Security Administration or area agencies on aging can engage in outreach activities to help low-income older Americans become certified for SSI. Similarly, private non-profit groups, such as black churches, national aging organizations, or others, can also perform outreach services. Moreover, they can educate their constituencies about SSI and the requirements for qualifying.

SSI One-Third Reduction Provision. Currently, the SSI benefit standard is reduced by one-third when aged, blind, or disabled people live in the household of another person for a full month and receive in-kind maintenance and support. Opponents of this provision claim that it discourages families from helping needy relatives. Critics also contend that this measure may cause some low-income elderly people to be unnecessarily or prematurely institutionalized.

A number of options are available for addressing this problem. For example, Congress could repeal the one-third reduction provision or could change the one-third reduction to a smaller portion, such as one-fourth, one-fifth, or one-sixth.

SSI Resource Ceiling. The SSI countable resource limitations--currently $1,800 for individuals and $2,700 for couples--will reach $2,000 for single people and $3,000 for couples by 1989. When SSI was first enacted in 1972, the caps on countable assets were fixed at $1,500 for individuals and $2,000 for couples. Inflation has greatly eroded the usefulness of these resource ceilings.

Congress could raise the countable resource ceilings, either incrementally or at one time, to compensate for inflation. Then the asset cap could be indexed. A less costly alternative is to provide ad hoc increases in the resource ceilings.

Personal Needs Allowance. The $25 personal needs allowance for SSI recipients who are in Medicaid institutions has not changed since SSI became operational in 1974. Like the resource limitation, the personal needs allowance has been eroded by inflation.

One option is to provide an inflation adjustment for the period since 1974, either over a number of years or in one year. Thereafter, an inflation adjustment could be made annually. Another alternative is to provide an ad hoc adjustment to cover part of the loss in purchasing power since 1974.

Policy Recommendations

A nation as rich and powerful as the United States has the capacity to ensure that its senior citizens can live their final years in dignity and self-respect. However, both a commitment and a plan of action are urgently needed to achieve this objective.

We urge the following policy recommendations to improve the economic well-being of the aged Americans (including blacks) who have low incomes. Some of these proposals can and should be adopted immediately. Others will require implementation over a period of time.

- Our nation should take steps as soon as possible to raise the SSI income standards above poverty levels. This measure could be entirely financed by recapturing the windfall tax relief benefits that were provided in the estate tax law under the 1981 Economic Recovery Tax Act.

- States should be encouraged to increase their supplemental payments so that the combined state supplement and federal SSI payment would rise above the official poverty line. As an initial step, efforts should be directed at several states with large concentrations of blacks and other Americans who are both elderly and poor.

- The Administration on Aging should effectively implement the provision in the 1987 Older Americans Act Amendments to promote outreach so that more low-income elderly people can qualify for SSI, Medicaid, and food stamps. National aging organizations and black churches should conduct educational campaigns to make low-income older Americans aware of SSI and of the application requirements to receive benefits.

- Congress should repeal the present provision that reduces the SSI benefit standard by one-third when aged, blind, or disabled recipients live in the household of another person and receive in-kind maintenance and support.

- The SSI countable asset ceilings should be raised to compensate for the inflation that has taken place since the program began. Thereafter, the resource caps should be indexed to the inflation rate.

- The personal needs allowance should also be updated to compensate for rising prices, with appropriate inflation adjustments afterward.

STATEMENT ON LONG-TERM CARE

I. BACKGROUND

"Long-term care" refers to a wide range of services (including medical or supportive services) for people with chronic impairments. These services can be delivered in institutional settings (such as nursing homes) or non-institutional settings (such as private homes). They range from providing skilled nursing-facility care or physical therapy to doing chores and giving personal care.

Americans of all ages have become increasingly concerned about the high cost of long-term care and the need to develop a comprehensive national policy to come to grips with this issue. An uneasy realization also exists that only a relatively small proportion of the families in the United States would be able to withstand long-term care costs over an extended period of time. Nursing home care costs now average probably $25,000 a year and perhaps more. In-home health care and/or social services costs are also high--averaging about $18,000 per year. The typical black family simply does not have the resources to assume these crushing financial responsibilities.

Robert Maxwell, vice president of the American Association of Retired Persons, summed up the dilemma for family members well when he helped to kick off the "Long Term Care '88" campaign on October 5, 1987. He said:

- "Why should a woman in her 60s feel she must use up her life savings--even sell her home--to keep her mother in a nursing home for less than two years?"

- "Why should a couple married for 30 years be forced to get a divorce in order to protect the wife's income and assets, while the husband impoverishes himself to qualify for Medicaid-funded nursing home care?"

- "Why should a middle-aged woman be forced to leave her job to care for a severely disabled parent or in-law?"

The need for long-term care has increased significantly in recent years, and it will accelerate in the years ahead. In 1985, 29.2 million Americans--1 out of every 9 persons (11.8 percent) in the United States--were 65 years of age or older. Experts now project that the 65-plus population will number 53.3 million by the year 2020, or about 1 out of every 6 Americans.

However, the "older aged"--those persons 85 years or older--will be the most rapidly growing segment among older Americans. Currently, the 85-plus population is projected to increase by 245 percent, from 2.9 million in 1985 to 7.1 million in 2020.

A recent poll conducted for the Long Term Care '88 campaign (table 1) revealed that 58 percent of men and 64 percent of women have already faced a long-term care problem in their family or have a close friend who has faced one. By age group, the affirmative responses ranged from 47 percent to 66 percent. Among the 30-plus age groups, more than 60 percent of the respondents either faced a long-term care problem or had a close friend who experienced a problem.

Traditionally, the family--especially wives, daughters, or granddaughters--has been the primary source of long-term care services. But this traditional role has become increasingly difficult for women, particularly for those who work and have their own families.

Nursing Home Demographics

Preliminary data from the 1985 National Nursing Home Survey reveal that nearly 1.5 million persons--including more than 1.3 million individuals 65 years of age or older--lived in 19,100 nursing homes. These nursing home residents tended to be very old, white, and female (table 2). More than 45

Table 1 People Who Have Already Faced a Long-Term Care Problem in Their Family (Or Whose Close Friends Have Faced One

	% of Respondents
Sex	
Male	58
Female	64
Age	
18-29	47
30-39	61
40-49	63
50-64	66
65+	66

percent were 85 years of age or older. The average age was 84 years for elderly females, 81 years for aged males, 83 years for elderly white residents, and 81 years for elderly black residents. (The likelihood of a person's being placed in a nursing home increases dramatically with age. Nearly 22 percent of all persons 85 or older are in nursing homes, compared to slightly more than 1 percent for individuals aged 65 to 74.) Overall, 93 percent of elderly residents were white, 6 percent were black, and 1 percent were other races (Asians, Pacific Islanders, Native Americans, and Alaskan Natives). Aged white persons are more likely to live in nursing homes than elderly blacks or the elderly of other races. In 1985, 4.8 percent of whites aged 65 and older were nursing home residents, compared to 3.5 percent of older blacks and 2.0 percent of older people of other races. Almost 75 percent of all aged nursing home residents in 1985 were women.

The lower rate at which blacks use nursing homes compared with whites does not connote less need. Quite the contrary. Aged blacks and other minorities suffer from higher levels of functional impairment than aged whites. The National Center for Health Statistics (NCHS) reported in its summary of the National Nursing Home Survey that

> Overall, 29 percent of the non-institutionalized elderly who were of black or other races were functionally impaired in the activities of daily living or home management activities for at least 3 months, compared with only 19 percent of white people.

NCHS noted that the lower rates of institutionalization for blacks may be attributed to the substitution of informal mechanisms of giving care at home. Other factors also account for elderly blacks' lower participation rate. As a practical matter, many older blacks simply cannot afford the high cost of nursing care. Moreover, nursing homes are often viewed with suspicion by older blacks because there is a popular perception that nursing homes are places where people go to die. Elderly blacks have also been victims of discrimination by nursing home authorities, even though it is prohibited.

Nursing Home Costs

One of the greatest fears for families is the high cost of nursing home care. Nursing home care is expensive, and the rates are rising. NCHS reported from its 1985 survey that the average daily cost of skilled nursing care was $61 per day. This translates to $1,830 per month (for a 30-day month) and

Table 2 Nursing Home Residents 65 Years of Age and Older by Age, Sex, and Race in the United States in 1985

Age, Sex, and Race	Number of Residents	Percent Distribution	No. of Residents 65 Years and Older per 1,000 Population 65 Years and Older
Total	1,315,800	100.0%	46.1
Age			
65-74 Years	212,100	6.1	12.5
75-84 Years	509,000	8.7	57.7
85 Years or Older	594,700	45.2	219.4
Sex			
Male	334,000	25.4	29.0
Female	981,800	74.6	57.7
Race			
White	1,224,900	93.1	47.6
Black	82,000	6.2	35.0
Other	8,900	0.7	20.1

approximately $22,000 on an annualized basis. The average cost of intermediate care was $48 per day ($1,440 for a 30-day month and more than $17,000 for a full year).

These figures, it should be stressed, are two years old. In 1987, skilled nursing care probably costs conservatively, on the average, $25,000 per year. In certain areas of the country, nursing home costs can easily range from $40,000 to $50,000 per year.

A substantial portion of the cost of long-term care is paid out of pocket by elderly persons and their families. For example, long-term care out-of-pocket private expenses amounted to nearly $18.4 billion in 1985.

II. POLICY OPTIONS

Several options exist for responding to the long-term care needs of families throughout our nation. The prominently mentioned alternatives are discussed below.

Long-Term Care Insurance

Long-term care insurance from private companies has been purchased by only a tiny fraction of the U.S. population--fewer than 400,000 of America's 250 million people, or less than 0.2 percent of the total U.S. population. National aging organizations have generally concluded that private long-term care insurance is not a realistic option. The reasons are as follows:

- Coverage is prohibitively expensive for a large proportion of the elderly. The Villers Foundation noted, "Prices for a $50 per day indemnity policy can easily range up to $1,500 per year. Since 42 percent of the aged population have incomes below $10,000, these policies are not realistically affordable."

- Coverage tends to be exclusively confined to nursing home care. However, the long-term care needs of older persons include in-home and community-based care, as well as that provided by institutions. Moreover, the coverage for nursing home care tends to be restrictive.

- Coverage is often limited to persons who have lower risks of needing long-term care. For example, policies frequently exclude octogenarians from coverage, although they have the greatest need for long-term care services.

- Commissions often account for more than 50 percent of the first-year premiums, and administrative and other related costs (including profits) frequently account for between 25 and 40 percent of the policy's total cost. (In sharp contrast, administrative costs for Medicare Hospital Insurance are less than 2 percent, and for Supplementary Medical Insurance they are slightly more than 3 percent.)

Individual Medical Accounts (IMAs)

An IMA is patterned after an IRA (individual retirement account). People would be entitled to claim a deduction on their tax returns, up to certain limits, for contributing to an earmarked long-term care account. Typically, after age 65, the funds would be available to pay for community-based or nursing home care on an "as-needed" basis.

Critics claim that IMAs would be practical only for a relatively small proportion of the population. They frequently cite statistics that IRAs have been used largely by the more affluent, with much lower levels of participation from moderate-income and lower-income families. In 1982, for instance, only 27 percent of all taxpaying households with income in the $30,000 to $40,000 range claimed deductions for IRAs.

IMAs are not generally considered to be a prudent way for the government to use already scarce tax resources. With the prospect of more than $100 billion budget deficits facing the Congress, substantial revenue losers, such as IMAs, are just not in the political cards.

As a practical matter, IMAs might have the effect of simply subsidizing the more affluent in our society for something that they would do anyway, as IRAs seem to have done. Many economists now believe that IRAs did not have much effect in changing savings rates. Rather, the IRA provided a vehicle for enabling upper-income people to redirect their funds to a tax-deferred investment (an IRA). Large numbers of taxpayers simply shifted funds from a savings account into a tax-deductible IRA after the close of the tax year to produce a refund--a practice that produced no additional savings.

Continuing Care Retirement Communities (CCRCs)

A CCRC is an arrangement whereby older persons enter into an agreement to pay an entry fee and monthly fees for a community that provides housing plus medical and supportive services. Average entry fees are reportedly about $40,000, and the monthly fees normally fall within a range of $300 to $1,200.

Like the preceding two options, CCRCs are largely limited to upper-income aged persons. ICF, Inc., has estimated that only 10 to 20 percent of all older Americans could afford a CCRC arrangement.

Another criticism of CCRCs is that membership is usually confined to the elderly who are not only wealthy, but also healthy. This selection process would exclude those older Americans who have the greatest need for long-term care services.

Long-Term Care Social Insurance Program

Another option is a long-term care social insurance program, which would be patterned after Social Security and Medicare and would be essentially a universal program. In late 1987, such a program has not been formally adopted. However, the Villers Foundation has identified the following key concepts for inclusion in the proposal:

- o The program should cover both community-based supportive services and institutional care.
- o Beneficiaries would be required to pay partially for the services they receive. These co-payments would be less for community-based care than for nursing-home care, to provide incentives for greater utilization of community-based care, where appropriate.
- o This new long-term care social insurance program would be designated as a Part C under Medicare or a separate title under the Social Security Act. Chronically disabled persons under Medicare, as well as other chronically disabled individuals, would be eligible for the new program.
- o States would use a portion of their Medicaid savings from enactment of the long-term care social insurance program to cover the co-payment charges that low-income persons would otherwise be required to meet under the initiative.
- o The proposal would be self-financing and deficit-neutral. Several financing options would be available, including closing loopholes in the estate tax and income tax, raising the ceiling on the Medicare Hospital Insurance payroll tax (e.g., from $43,800 in 1987 to $75,000); establishing a separate payroll tax or a surtax, or both, to be earmarked for a long-term care trust fund; or increasing taxes on alcohol and tobacco.

III. POLICY RECOMMENDATIONS

Our nation now lacks a clearly defined, comprehensive, and effective national long-term care policy. This has been one of our nation's greatest failures in responding to the needs of its older citizens.

Low-income, aged blacks and other minorities have paid dearly in many ways for this neglect. The harsh reality is that elderly blacks have been underserved by long-term care institutions, especially when measured against their need for services. And when older blacks have been served, the care and other services they have received have often been inadequate. Comprehensive policy changes are needed to improve the availability and quality of appropriate long-term care for aged blacks and other older Americans. Clearly, a soundly conceived national long-term care policy is an idea whose time has come. Americans strongly support action in this critical area. Moreover, by a wide margin they favor a government role in responding to this crisis. For example, a Yankelovich survey conducted for the American Association of Retired Persons in February 1987 found that respondents supported, by a 77 to 20 percent margin, "government help to pay the costs of long-term health care for the elderly." Similar findings were reached in other polls on substantially the same questions.

The following proposals should be incorporated in a national long-term care strategy:

- o A comprehensive long-term care social insurance program should be enacted as soon as possible, with effective built-in cost controls. The program should incorporate the principles described above. It should provide both community-based supportive services and institutional care. It should be self-financing and deficit neutral. Substantial revenue can be derived from closing loopholes in the income tax and estate tax laws to pay for some of the costs of long-term care strategy.

- The three-day prior-hospitalization requirement to qualify for skilled nursing facility care under Medicare should be removed. In some cases, this requirement causes older Americans to be hospitalized so that they can qualify for skilled nursing facility care. In addition, Medicare should provide coverage for more than 100 days of skilled nursing facility care. A step in the right direction would be an increase to 150 days, as provided in the House-passed catastrophic health insurance bill (H.R. 2470).

- Our nation should establish a comprehensive and coordinated policy that provides a broad range of community-based services. At a minimum, the following services should be available: home health services, homemaker/chore services, meals on wheels, personal care, and other relevant in-home services; respite care, adult day care, friendly visitor, and telephone reassurance calls; congregate housing services and other suitable living arrangements to enable "at-risk" older people to live independently; and quality and humane institutional care.

- Appropriate alternatives to institutionalization should be developed because a sizable proportion of aged individuals are unnecessarily or prematurely institutionalized at a high public cost. Experts estimate that perhaps 15 to 40 percent of all nursing home and hospital patients are improperly institutionalized.

- New initiatives should be developed to promote preventive measures to ward off illness and to encourage wellness among older Americans. Similarly, efforts to educate people about lifestyles and diets that are conducive to better health should be encouraged. Moreover, greater efforts are needed to make the public more aware of the hazards of smoking and of excessive consumption of alcohol.

- Demonstration projects should be funded to determine whether it would be cost-effective and feasible for Medicare to cover physical checkups.

- Vigorous efforts should be undertaken to make long-term care facilities more accessible to older blacks. Strict enforcement of civil rights legislation is crucial to implement this objective. In addition, nursing-home ombudsmen under the Older Americans Act should monitor the situation and report their findings to appropriate officials.

STATEMENT ON CRIMINAL JUSTICE

A consideration of criminal justice issues raises two parallel questions of public policy: how to address the problems of crime and violence, which threaten the stability of both the black and white communities, and how to address our equal concern that blacks be treated fairly and equitably by the various elements of the criminal justice system--particularly by the representatives of the criminal justice system who have the greatest amount of discretion in exercising their authority (e.g., the police, in making arrests and using force; prosecutors, in selecting juries; judges, in sentencing and releasing on probation; and prison officials).

Of course, neither of the two subjects--crime as a whole, and the treatment of blacks within the criminal justice system--can be considered in a vacuum. Rather, each is necessarily intertwined with other areas of society at large, particularly with trends in economic opportunity and equality and in national policies toward the disadvantaged. Most significant is the contrast between increasing poverty and increasing wealth--with, on the one hand, high unemployment rates and growing numbers of heads of household whose earnings from year-round work would not bring a family of four above the federal poverty line and, on the other hand, rising earnings that bring increased discretionary income and growing power to consume goods and services. That contrast bodes ill for the future and for our subject here--the criminal justice system. For the paradox of growing poverty and deprivation amid growing affluence and plenty provides a fruitful seedbed for criminal activity and violence.

In recent years the socioeconomic discrepancies have been aggravated by the continuous reduction in some of the more successful social programs of the 1960s and 1970s. Between 1979 and 1984, the percentage of poor children served by Aid to Families with Dependent Children--which, through its companion Medicaid program, underwrote many successful health care services--dropped by 22 percent. The proportion of children enrolled in Head Start programs similarly fell, by 21 percent. From the early to mid-1980s, the number of people being served by community health centers for low-income families dropped by nearly three-quarters of a million--and two-thirds of the people who were no longer being served were children, or women of childbearing age.

At the same time, the attractiveness of the illegal drug trade has grown. And as long as a substantial proportion of disadvantaged young people are offered little more than the choice between inadequate, dead-end work, if any, on the one hand, and dangerous but lucrative illicit work on the other, we are less likely to stop the trade in cocaine, heroin, and other hard drugs--or their attendant and escalating violence.

With regard to the second question, which will be our concern here, we will focus on the treatment given blacks in four areas of the criminal justice system:

- racial disparities in the U.S. prison population;
- racial discrimination and the sentence of death;
- the exclusion of blacks from juries; and
- police violence and the black community.

Racial Disparities in the U.S. Prison Population

Recently, sentences for drug offenses and related violent crimes have tended to become harsher, suggesting that prison is increasingly relied on as a principal line of defense against crime. Some researchers, however, suggest that far from being a response likely to solve the problem of crime in our society, incarceration in overcrowded and volatile prison systems--where conditions are brutal and prison administrators have given up any pretense of offering offenders the training, education, or supportive services that might better prepare them for life on the "outside"--is likely to have a negative

impact on many offenders. It is likely to make them more alienated, more prone to violence, and less capable of re-entering productive society when they are released.

That debate about the effect of prison as a defense against increasing crime is of particular interest to blacks. Blacks compose approximately 12 percent of the population of the United States but represent almost 50 percent of the prison population. On any given day, more than 5 percent of all black males in their 20s in the United States are in prison. About 15 percent of all black males in this country can be expected to serve some time in a state prison during their lifetimes. By comparison, less than 0.5 percent of white males in their 20s are in prison on any one day, and only 2 to 3 percent of white males will be imprisoned during their lifetimes. (Moreover, murder is the leading cause of death for young black males, and is almost as high for young black females.)

In 1982, Alfred Blumstein of Carnegie-Mellon University published a study on race and imprisonment (On the Racial Disproportionality of U.S. Prison Populations) that explored the racial disproportionality of prison populations, seeking to discover the degree to which the disproportionality might be attributable to racial discrimination in the criminal justice system rather than to a disproportionate involvement of blacks in criminal activity in general, and in the kind of criminal activity that is most likely to lead to imprisonment and to longer sentences, in particular.

Blumstein's results "do not argue that discrimination is absent from the criminal justice system," but neither do they support the view that racial disproportionality in prison populations can be explained entirely by racial discrimination. Nevertheless, his exploration of crime-type-specific racial distributions at arrest and in prison indicates that, as the seriousness of the offense decreases, blacks are disproportionately represented in prison. The less serious the offense, the greater degree of discretion (for example, in prosecution and sentencing) the authorities have. This suggests that blacks become increasingly disadvantaged as the amount of permissible criminal justice discretion increases, and discrimination is a plausible explanation for a major part of that effect.

Joan Petersilia (in a 1983 study, Racial Disparities in the Criminal Justice System) found that, controlling for the major factors that might influence sentencing and time served, minorities receive harsher sentences and serve longer in prison. She also noted the impact of racial differences in plea bargaining and type of sentence. In felony cases, white defendants are more likely to plea bargain than black defendants are. And, "although plea bargaining ensures conviction, it also virtually guarantees a reduced charge or a lighter sentence, or both; conviction by a jury usually results in more severe sentencing."

Petersilia and Susan Turner (in Guideline-Based Justice, The Implications for Racial Minorities) noted that proponents of sentencing reform argue that discrimination can affect sentencing because judges have traditionally had broad discretion in their sentencing decisions. According to this view, if that discretion were curbed with some type of sentencing reform, racial discrimination would theoretically be eliminated and so, too, would racial disparities in sentencing. Several states have now instituted sentencing guidelines, as well as guidelines for parole decisions and for decisions about the level of probation supervision. Generally all these decisions, especially the ones involving probation and parole, use as their gauge the likelihood of recidivism.

However, much of the research indicates that some factors correlated with recidivism are also highly correlated with race. For example, although long-term unemployment is generally thought to be a predictor of recidivism, it also happens to be higher in the black population. Policymakers thus face the problem of determining whether those factors really do predict recidivism and, if they do, whether guidelines can afford to ignore them, despite their racial correlation.

In attempting to establish patterns of recidivism, to obtain the most efficient use of prison space, and to incapacitate offenders who pose the most serious threat to public safety, policymakers have established guidelines that include factors such as the seriousness of the crime, the presence or absence of aggravating circumstances (such as the use of a weapon, or an injury to the victim), and the prior criminal record of the defendant. Also taken into account are factors such as time served in a juvenile

institution or a conviction before age 16--factors that, while possible predictors of recidivism, are also correlated with race.

Recognizing the socioeconomic dislocation that exists in the black community, Petersilia notes that although guidelines intended to overcome racial discrimination "probably do" overcome it, they cannot be expected to overcome racial disparities in sentencing when serious criminality is disproportionately high in the black population.

Racial Discrimination and the Sentence of Death

Probably the most profound expression of racial discrimination in sentencing occurs in the use of capital punishment. This issue was recently placed squarely before the Supreme Court in McCleskey v. Kemp, 95 L.Ed 2d 262 (1987). McCleskey's defenders addressed the question of why, out of 17 defendants charged with the killings of police officers in Fulton County, Georgia, between 1973 and 1980, only Warren McCleskey--a black defendant charged with killing a white officer--had been chosen for a death sentence. In only 1 of the other 17 cases had the predominantly white prosecutor's office in Atlanta pushed for the death penalty, and that black defendant, convicted of killing a black police officer, had been sentenced to a life term. Despite evidence showing a pattern of discrimination, the Supreme Court rejected McCleskey's equal-protection challenge to his death sentence. The Court plainly understood the scope of the challenge presented by McCleskey but rejected it nonetheless:

> McCleskey's statistical proffer must be viewed in the context of his challenge. McCleskey challenges decisions at the heart of the State's criminal justice system. . . . Implementation of these laws necessarily requires discretionary judgments. Because discretion is essential to the criminal justice process, we would demand exceptionally clear proof before we would infer that the discretion has been abused. The unique nature of the decisions at issue in this case also counsels against adopting such an inference by the Baldus study [Professor David Baldus conducted the research that was the centerpiece of McCleskey's evidence].

Professor Anthony Amsterdam summarized the scope of the Supreme Court's decision as follows:

> Its decision is not limited to capital sentencing, but purports to rest on principles which apply to the whole criminal justice system. Every part of that system from arrest to sentencing and parole, in relation to every crime from murder to Sabbath-breaking, involves a multitude of separate decisionmakers making individualized decisions based upon "innumerable [case-specific] factors." All of these decisions are important for the protection of society from crime. All are conceived as "necessarily requir[ing] discretionary judgments." In making these discretionary judgments, prosecutors and judges as well as jurors have traditionally been immunized from inquiry into their motives. If this kind of discretion implies the power to treat black people differently than white people and to escape the responsibility for explaining why one is making life-and-death decisions in an apparently discriminatory manner, it implies a tolerance for racial discrimination throughout the length and breadth of the administration of criminal justice. What the Supreme Court has held, plainly, is that the very nature of the criminal justice system requires that its workings be excluded from the ordinary rules of law and even logic that guarantee equal protection to racial minorities in our society.

The Exclusion of Blacks From Juries

As Justice Thurgood Marshall noted in his concurring opinion in Batson v. Kentucky, 90 L.Ed 2d 69, 91 (concurring) (1987), the Supreme Court recently took a "historic step toward eliminating the shameful practice of racial discrimination in the selection of juries." In Batson, the Court followed a path it began more than a century ago in Strauder v. West Virginia, 100 U.S. 303, 25 L.Ed 664 (1880), when it invalidated a state statute providing that black citizens could not serve as jurors. By holding

that a prosecutor's use of peremptory challenges to exclude blacks from a jury trying a black defendant is subject to a challenge as purposeful discrimination under the Equal Protection clause, the Court in Batson implicitly recognized the pernicious nature of racial discrimination in jury selection, and the harm done by this common and flagrant practice.

As Justice Marshall's concurring opinion points out, in several jurisdictions prosecutors have used peremptory challenges to strike as many as 82 percent of black jurors in criminal cases. Moreover, prosecutors have not been hesitant to make clear their willingness to use peremptory challenges in this manner. The Court's opinion in Batson effectively lightens the evidentiary burden faced by a criminal defendant who claims that the prosecution's use of peremptory challenges to exclude minority group members from the petit jury violates the Equal Protection Clause of the Fourteenth Amendment.

However, as important as Batson may prove to be in ensuring fair trials for black defendants (by ensuring that black citizens will participate in the judicial process as members of juries) and in restoring the appearance of justice, the majority opinion does not address the use of peremptory challenges by defense attorneys. In his concurring opinion, Justice Marshall argued that the use of peremptory challenges should be prohibited altogether. Indeed, strong consideration should be given to his argument.

Police Violence and the Black Community

Studies during the last two decades have consistently shown that racial minorities--principally black Americans--are a disproportionately high number of those who are killed by police using deadly force. In 1985 the Supreme Court addressed the question of the use of deadly force in the apprehension of suspects. In Tennessee v. Garner, 471 U.S. 1 (1985), the Court held that the common-law fleeing-felon rule--which authorized police to use deadly force to prevent the escape of fleeing felony suspects--violated the Fourth Amendment. The Court held that the use of deadly force to prevent the escape of all felony suspects, whatever the circumstances, is constitutionally unreasonable, and that a police officer may not seize an unarmed, nondangerous suspect by shooting him dead. However, the Court noted that if there was probable cause for believing that a crime involved the infliction or threatened infliction of serious physical harm, then deadly force could be used to prevent escape.

This important decision is one of several that have been rendered over the last few years, defining not only the basis and extent of the individual officer's ability to use deadly force but also the liability of the police department or municipality for the improper use of force by its law enforcement officers.

Questions about the interaction between the police and the black community were central in the Kerner Commission Report of two decades ago and are no less important today, as local officials attempt to deal with inner cities racked by economic dislocation, inadequate housing, substandard educational facilities, and high crime rates. Incidents in which the police use deadly force against members of a racial minority may ignite smoldering tensions within communities that feel victimized by the reality of political and economic powerlessness.

The last few decades have seen a dramatic increase in the number of calls for more effective methods of handling and processing claims of police brutality. This indicates a growing concern about the frequency of such occurrences and about the likelihood of their going uninvestigated or unpunished. Citizen complaints about police brutality can help to improve relations between police and the community because such complaints may act as vehicles for disciplining misbehaving officers and for deterring other officers from abusing their discretionary power.

The traditional means of dealing with those complaints involves both internal review (wherein the police establish a special unit to investigate themselves) and external review (which has generally meant some form of civilian complaint review board). Each of these methods has its own advantages and

drawbacks, and in some instances each has been helpful in enabling the various parties to reach an understanding of their shared concern for weeding out undesirable officers from the police force.

Expanded employment opportunities whose aim is a fully integrated police department have been shown to be very beneficial to relations between the police and the community. Several judicial decisions have even recognized that when the department is representative of the community it serves -- when the police have the cooperation of the community--the effectiveness of the police is increased.

Certainly, having more blacks on urban police forces--plus giving police officers better training in how to handle potentially volatile situations--is important in curbing police misconduct. Even more important is "vigorous prosecution of police misconduct cases, [which] is absolutely essential to demonstrate that no one, including a police officer, is above the law" (U.S. Commission on Civil Rights, Who Is Guarding the Guardians? A Report on Police Practices, 1981, p. 102).

In theory, police misconduct can be deterred by the possibility that an officer may be prosecuted under state criminal statutes for complaints ranging from simple assault and battery to murder. In reality, however, such prosecutions rarely occur. The lack of vigorous prosecution, in turn, promotes a feeling of alienation and suspicion of law enforcement authorities. In such situations, the District Attorney's Office tends to be viewed with suspicion because of the perception that an elected prosecutor is apt to give greater priority to constituents' concern for law and order than to a problem of police violence that affects the minority community most harshly, and because of the perception that the roles of the police and the district attorney are so interrelated that the district attorney is unlikely to prosecute officers upon whom s/he must depend if other prosecutions s/he initiates are to be successfully completed.

To deal with both the perceptual problem that the District Attorney's Office is not an effective instrument for controlling police violence and with the empirical evidence that blacks and Hispanics suffer physical abuse and death at the hands of the police in disproportionately greater numbers than members of the white community do, two simultaneous steps are important.

First, the District Attorney's Office should develop and publicly announce a position and a set of procedures to deal with police violence against citizens. These procedures should include early, direct, and independent intervention into the investigation of all police arms discharges that involve the shooting of a civilian. The District Attorney's Office should also investigate any police act in which a civilian is injured (e.g., by bludgeoning with nightsticks or by other uses of force that injure the civilian). In addition, the procedures should include (1) the flagging for investigation of police reports that involve physical injury to the arrestee and a variety of "cover charges" and (2) a specific follow-up on all civilian complaints of police misconduct.

Once these policies and procedures have been announced and put into place, the District Attorney's Office must strictly follow the procedures, conduct aggressive investigations, and, if the facts warrant, prosecute the offending police officers. If prosecution is not warranted, the District Attorney should make public the results of the particular investigation so that the public will know and be able to evaluate the underlying reason for the decision.

Similarly, the District Attorney should not only cooperate with departmental or administrative reviews or review boards but also make relevant information available to private litigants, should a civil lawsuit ensue.

The essence of these proposals is that police violence against citizens should be viewed with the same gravity, and investigated with the same vigor, as the most heinous of crimes. The fundamental assumption of these proposals is that a programmatic approach to the problem of police violence, publicly announced and aggressively pursued by the District Attorney's Office, may not only lessen the occurrences of such incidents but also reassure the public that, if and when the incidents do occur, they will be honestly investigated and, if necessary, aggressively pursued by the District Attorney's Office. While we have concentrated on the District Attorney's Office, the local prosecutorial arm, the same

standards should apply to state and federal enforcement and prosecutorial agencies. Allegations of violations of civil rights by federal, state, and local law enforcement and prosecutorial agencies must be vigorously pursued under the appropriate civil rights statutes.

Conclusion

A comprehensive examination of the criminal justice system reveals that it has not escaped the effects of the racism and discrimination that have historically existed in American society. Research tends to support the view that minorities

- o are more likely to be suspected of crime than whites;
- o are more likely to be arrested;
- o are more likely to be injured or killed during that arrest;
- o are less likely to secure bail;
- o are more likely to be indicted than whites and less likely to have their cases dismissed;
- o tend not to get a trial by a jury of their peers (because minorities are underrepresented on jury panels);
- o if tried, are more likely to be imprisoned;
- o are likely to obtain harsher sentences, whether they plead guilty or are found guilty; and
- o are more likely to serve full terms without parole.

Whereas the conclusions of researchers on the inequities of the system often depend on the ideological bias of the examiner, more often than not it is recognized that socioeconomic factors are a major contributor to crime and to the high rates of crime affecting the black community.

It follows that no amount of piecemeal, general reform in the criminal justice system is likely to be truly effective unless the underlying problems of economic opportunity are likewise addressed, and such problems must be addressed by all aspects of society. In the short term, though, it is particularly necessary to address their manifestation in the criminal justice system.

Several researchers have noted that the greatest amount of discrimination is possible at the points in the system where the discretion of the criminal justice representative is greatest. And although some jurisdictions have dealt with this problem by using guidelines as a way of limiting the discretion (e.g., in the areas of sentencing and parole), it is equally important to make concerted efforts to increase the numbers of blacks and other minorities who are in a position to exercise that discretion. Such efforts are necessary throughout the system: the ranks of police officers, district attorneys, public defenders, jurors, judges, and commissioners of police and corrections, as well as parole officers and wardens, should include more blacks.

Moreover, just as specific reforms in the mechanisms of social control may be necessary, they must be implemented with an awareness of the interconnections between the criminal justice system and the socio-political-economic realities faced by its victims and its beneficiaries. The history of the last two decades, for example, is replete with efforts on the part of policymakers to alter the traditional practices of the adult and juvenile justice systems--but according to official estimates, crime continues to increase despite efforts at reform. For as the United States moves into the 21st century, instead of having solved the urban crisis of the 1960s we are seeing the descendents of those earlier disadvantaged groups turn into the "underclass" of the 1980s. Minorities are much more likely than whites to be in

the lowest income groups and to be unemployed, ill-housed, and subject to poorer health care and to political powerlessness. Unless these problems are addressed and black people and other minorities obtain the opportunity to achieve economic security, self-esteem, a lifestyle which promises them a solid stake in their communities, and a realistic hope for a better future, no amount of reform is likely to have a meaningful effect on the underlying disparities of the criminal justice system.